In the opening paragraph of the advertisement, which emphasized why this was necessary, we said:

Canada is heavily "in the red" in present trading with the U.S. dollar area. In our total trade with the world we are in a good position but not in that part which is done with the U.S. dollar countries. Other countries with whom we do business cannot pay us in full, either in cash or in goods, for the things they buy from us. . . .

There are two things we can do at the moment . . . cut down unnecessary purchases from the U.S. dollar area and increase our production of goods that can be sold to those countries to balance accounts.

Mr. ROSS (St. Paul's): But you do not say why.

Mr. FLEMING: Why not say "Buy Canadian"?

Mr. ABBOTT: That is a slogan. It is a necessary inference from what I have read: "cut down your unnecessary purchases from the U.S. dollar area." What else can it mean?

Mr. ROSS (St. Paul's): You could say "Buy Canadian" and "Buy British."

Mr. ABBOTT: Well, I really give the Canadian people credit for enough sense to believe they will take that for granted.

Mr. FLEMING: Just before six o'clock the minister, in referring to the schedules and also, I think, to the provisions of P.C. 4678, said they represented months of work, by which I took it he meant that months of work had been applied to the formulation of those provisions before they were promulgated on November 17. Would he expand his remarks somewhat and indicate to the committee when this work was begun?

Mr. ABBOTT: I do not know that I can give my hon. friend an absolutely accurate answer, but broadly speaking I should think it was about midsummer. About that time it was realized that it was quite possible import restrictions might have to be resorted to as a method of conserving our United States dollar reserves. It was realized by those who know something about these matters that it would not be possible to create overnight a workable and appropriate schedule for putting into force such import restrictions; and about the middle of the summer we set up an interdepartmental committee, of which the present assistant deputy minister of finance was chairman, to study the question of what import restrictions could or might properly be imposed should it be decided to take that step.

Mr. FLEMING: Then may I follow that up with two other questions? The first is, were the tariff experts of the Department of National Revenue, on the customs side, consulted in that work?

Mr. ABBOTT: They were on the committee.

Mr. FLEMING: Second, what was the total of gold and United States dollar holdings in Canada at the time that work was begun, which the minister says was midsummer?

Mr. ABBOTT: I have not that figure available here, but I think I gave that information in reply to a question by the leader of the opposition at the very outset of the session. Those figures are on *Hansard,* or were tabled early in the session.

Mr. ADAMSON: I want to move an amendment to clause 1, the short title. I do not think the word "emergency" is justified at the present time; I think the word should be "chronic". I do not see how we can get the word "chronic" into the title of the bill, but the situation nevertheless is chronic.

Two years ago we warned—I certainly warned—that our exchange situation was going from bad to worse. It was aggravated in 1946 by the parity action. Times without number I said in the house that the government would have to take restrictive measures and would have either to impose embargoes or to put on tariffs, restrict dollar exchange, restrict trading in dollars and eventually devalue.

They paid no attention. They found themselves eventually squeezed and squeezed and squeezed into a corner, like a rat, and having now to take these actions belatedly. As I said when I spoke on the bill, they will have to take action, and even more stringent action, before they get out of the impasse they were in.

Mr. ABBOTT: Some people hope they will have to.

Mr. ADAMSON: I wish to mention one thing, and that is that today it was announced that the United Kingdom deficit, hard currency, in gold, amounted to £1,023 million sterling for the trading year of 1947 just past. If anyone in Canada is sanguine enough to believe that, unless we are prepared to go on a completely free economy, this country will ever in the near future be able to overcome the very serious dollar deficits, then their thinking is entirely wishful.

Therefore I move:

That the word "emergency" be stricken from the short title, so that the bill will read, "The Exchange Conservation Act."