

would appear that our loss in United States dollars and gold reserves from that date to the end of the year was \$392 million for a six-month period, not \$263 million for the twelve-month period, as was stated by the minister and as shown in the report. This annual rate is almost three times that indicated in the report by the minister and represents a loss in exchange at the rate of \$750 million a year. If the minister had given us the true picture as it has been developing since July 5, 1946, he would have revealed not only quite a different situation as far as declining gold reserves and United States funds are concerned, but also that our deficit on commodity trading account with the United States has been steadily growing, especially in recent months.

Commodity trade and gold are the basic items in our United States dollar situation. In 1946 some \$430,000,000 of our \$603,000,000 deficit with the United States arose from commodity trade, and this deficit has been accumulating at a rapidly increasing rate. If we take the four quarters of the year 1946, those deficits were \$93,000,000, \$120,000,000, \$126,000,000 and \$158,000,000, while in the last quarter of 1945 our total loss in United States reserves was approximately \$10,000,000, and the average for the years 1935 to 1939, prior to the war was \$90,000,000 per annum.

Our accounts with the world are set out in one schedule, our accounts with the United States in another, but our position with the United Kingdom is studiously avoided in the report. Why were these figures not given in such a manner as to reveal the whole truth? In 1946 we exported to Britain \$597,000,500 worth of goods. In the same year we imported from Britain \$201,400,000 worth of goods. All we could take from Britain, or all that Britain could supply us, was less than \$201,500,000. We therefore took from Britain gold to the extent of seventy-five per cent of all that we would take from her in goods, namely, \$150,000,000. This resulted in Britain going out and buying, with the very scarce dollars she had, gold to turn over to us, which eased our exchange position with the United States last year. Britain has taken up half of the billion and one-quarter loan that we made, but while we are making the pretence of helping her through a loan authorized by this parliament, we are forcing her to go out in the market and use her scarce and precious dollars to buy gold to turn over to us. In effect, what we did last year was to exchange part of the proceeds of our loan to Britain for British gold.

In Canada we are making our gold miners produce with one hand tied behind their backs.

[Mr. Cockeram.]

By arbitrary revaluation we put our gold producers at a disadvantage, so that our net exports of gold are about half what they normally should be; instead of allowing and encouraging our own gold mining industry to produce the gold we exacted it from Britain. Surely the minister is not going to lead the country to believe that we could do this year after year. The \$87,000,000 realized through UNRRA will not be realized again and, in February, 1947, we turned over \$74,000,000 in gold to the international monetary fund.

If the minister had told us the whole truth, and explained the situation as it actually is, he would have said that we have about a year to go, as events have been developing up to date. Our expenditures are higher in the United States by many millions and our receipts are very much lower. The minister has resorted to a specious argument to indicate that the dollar revaluation of July 5 last really makes no difference. It makes \$3.50 an ounce difference in Canadian dollars to our gold mining producers, and, if continued, may put many Canadian marginal producing mines out of business. It makes it more difficult for our exporters to sell to the United States, and easier for the United States to sell to us. Normally, such might be desirable, but why this government wanted to accentuate a difficult United States dollar situation is beyond my understanding.

In my opinion, the officials of the Bank of Canada, together with the officials of the Department of Finance and the present Minister of Finance, thought that Canada was equally as powerful as the United States treasury and the federal reserve system of banking in the United States, with the result that they created a situation in this country whereby our economy is virtually placed under the control of a nation twenty times as wealthy as we are. Knowing the damage they have done, they are like men sitting in a poker game which has got beyond their limits, watching their stakes being constantly whittled away, without having the courage to quit and admit the game is too steep for them, thus protecting their remaining cash.

Mr. ABBOTT: The Toronto stock exchange.

Mr. COCKERAM: Not protecting the Toronto stock exchange, but protecting the investor and workman in this country. In other words, they will not admit they were wrong in the first place, and they are now afraid of losing face. This poker game to date, as far as public knowledge goes, has cost the Canadian taxpayer \$163,663,700, which sum was charged against the reserves