

sudden impressive demand for wheat in China and the Soviet Union. But while the need for large imports exists and will continue to exist in under-developed countries and in countries lacking raw materials, the demand for imported products is slowing down in developed or industrialized countries.

In those countries, public pressure demands exports. Now and then, one hears the slogan, "Export or perish", as if it were the acme of wisdom. This slogan nevertheless expresses what lies behind the term "international trade".

Our ancestors would have been surprised if they had heard this slogan in the pre-industrial era. If someone had told them: "We must import or perish", they would have understood immediately. But who, they would have asked, ever heard of nations perishing because they could not export their products?

It would be interesting and instructive to trace the evolution of world trade and its development from the days when it consisted merely in the exchange of products for other products, up to the complex and capital role it plays nowadays in the economic life of industrial nations. Even when the industrial revolution started, the major problem was to find consumers with enough money to buy the increasing production. Great Britain solved the problem by lending its overseas customers the necessary funds to pay for their purchases. That was a forerunner of the Marshall Plan. But in that case, sooner or later the buyer had to pay and he did so by way of raw products needed in Great Britain.

As the industrial revolution spread, the search for markets developed and because other countries followed the lead of Great Britain in financing their customers, the international debts known to us appeared. The relatively recent demonstration of the power of money has had an incalculable and often unfavourable influence on world affairs. It has also hidden the real and simple object of international trade and has spread confusion among the people about this matter.

The enigma in the present situation is that developed countries are able today, even without the help of automation, to produce much more than they can consume. The effect of this imbalance is made worse by the fact that there is insufficient purchasing power to ensure the purchase of all products offered for sale. Therefore, markets must be found for the surplus, and that gives rise to these efforts to increase exports.

At the present time, Canada is giving assistance to underdeveloped countries. This does not prevent us from exporting unemployment, operating our industries and finding jobs for our workers, while we are exporting goods we produced at great cost but do not consume.

We find the means of assisting underdeveloped countries by supplying them, for example, with technicians trained at our expense. We also supply them with equipment and machinery in order to help their development. That is another way of keeping our workers busy.

During the last World War, for example, Canada produced a tremendous amount of munitions, of materials

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of destruction that we exported freely over the heads of our enemies and we also exported some to friendly countries to help them fight Nazism. We produced and exported foodstuffs, mainly to England which was not at the time able to pay for them and we granted it credits amounting to billions of dollars, to allow it to buy from us foodstuffs so that it could carry on its war effort.

But when the time came for Britain to pay back the credits it had obtained from Canada, it was obvious, Mr. Speaker, that Canada could not accept, after the war, these payments from Britain, because it wanted to pay back with British products, which has resulted in severe unemployment in Canada.

The British were at work while at home, we had unemployment. Obviously, Canada could not accept this method of repayment, and that is why, perhaps, the government has let Britain get away with its war debt.

Again, world trade is not aimed at the exchange of surpluses for products that we lack, but rather at keeping our production going and employment at its peak. Lord Keynes expressed concisely this state of things when he said that the object of international trade and commerce was to export unemployment.

It is further argued, however, that international trade is what it used to be, that is to say the export of surplus goods against products in demand. While the government wants to have an act passed in order to expand exports, a bill originating from the Senate is introduced for the approval of an agreement signed by the Prime Minister (Mr. Trudeau), during his recent visit to New Zealand, and which aims at increasing our imports from this country.

• (4:00 p.m.)

While we are trying to draft a legislation to increase our exports, we are passing another one to establish new relations with New Zealand. This is why we still maintain that international trade is a two-way operation. It is quite well if we wish to promote trade in one direction rather than the other. Our wheat sales to China and the Soviet Union were, according to the Secretary of State for External Affairs, a superb transaction.

We were concerned, however, when those countries did not insist on paying us with their own products? On the contrary, that fact made the transaction truly superb according to the minister and we were all quite satisfied. For the tons of gold they shipped to Canada, the Russians obtained our wheat which they consumed, while the gold which we received was undoubtedly shipped to Fort Knox.

All countries would like to trade both ways, but not too much. They also seek a favourable trade balance, which means more exports than imports. To reach and maintain this position, it is necessary to extend credit and have foreign debtors. There are very few cases of customers paying with gold, as does the USSR, while debts created through export credit must never be repaid because payment would entail greater imports, an unfavourable trade balance, in short, disastrous stagnation.