

effort to stabilize trade. I suggest to this house that if we had decided to ignore the International Fund and allowed our currency to find its own level, we might have invited consequences that would have been far from happy for this country.

I do not pretend to be a prophet, but let us consider what would happen if we tore up our international agreements. The effect would be the devaluation of our money by perhaps 25 to 35 per cent. Somebody may say that we could impose dumping duties of 25 to 35 per cent against American goods, and this would be all to the good because it would make our people buy more goods at home. I must confess that such an argument does not appeal to me. Our economy, as evidenced during exchange restrictions, is so tied up with that of the United States that our very industrial existence depends upon harmony with that country. I would hate to see added to our present tariff structure a further increase of from 20 to 30 per cent, with a consequent increase in our living costs.

I believe that in due course conditions will right themselves, but that artificial protection for industry would result in chaos. Some people may point to the financial advantage to Canada of being able to dump her goods on the American market, which would be in direct contradiction with agreements between the countries of the western world, including the United States; but is it practicable for us to believe that the American Congress would be indifferent toward such a policy on our part, and would not request an increase of tariffs on the ground of unfair competition? Indeed, their attitude towards us would most likely be that Canada was not playing the game with the rest of the world. I am merely expressing my views on this controversial question.

Hon. Mr. Haig: May I interrupt my friend to ask him a question? When our exchange was at par with that of the United States, did not the honourable leader of the government oppose my suggestion of a 10 per cent reduction?

Hon. Mr. Robertson: As far as I am concerned, it was just a stronger argument

against a bad policy. I regret the 10 per cent devaluation in our currency, in addition to the tariffs already imposed. It just means that industry and individuals in Canada are paying more for imports from the United States, and I do not believe in it.

Hon. Mr. Duff: Hear, hear.

Hon. Mr. Robertson: I do not propose to labour the point, but I warn honourable senators that it would be very dangerous for the business interests of this country to suggest that there is no need for improving our products or reducing our costs of production in the hope of gaining new markets, that all we have to do is wait until this or some other government decides to throw out controls.

It has been suggested to me at different times that the Senate of Canada could render a worthwhile service by inquiring into our vital trade problems. Would not an intensive investigation, looking broadly into the trade questions of the next five or ten years be an excellent contribution to industry and business generally? For instance, in western Canada huge discoveries of oil have been made, and there is concern about whether it can be exported to the United States. Also, great quantities of iron ore have been discovered in Labrador. These commodities can be produced in quantities far in excess of Canada's ability to consume them. Our whole future is dependent upon our ability to maintain a satisfactory volume of exports to be sold in the competitive markets of the world. A proper level of export trade is the key to continued capital expenditures. Beyond that, I hope our judgment will continue sound, so as to assure a reasonable distribution of the proceeds from the development and export of our natural resources.

Though Canada may suffer ups and downs in her economic life, if her trade affairs are properly managed I cannot envisage her as suffering a serious depression.

Some Hon. Senators: Hear, hear.

Hon. Mr. Gershaw: Honourable senators, I move the adjournment of the debate.

The motion was agreed to.

The Senate adjourned until Monday, February 27, at 8 p.m.