

Agricultural Prices Support Act

goods. In the speech on the address I proposed that in addition we should accept some sterling for investment in the sterling area, but let that be. I notice the Minister of Trade and Commerce (Mr. Howe) made a most interesting speech before the University club in New York last Saturday. There is one paragraph in the report I have of that speech, which I hope is correct, in which I am particularly interested. The minister gave an example of what is going on in the world, and at page three he is reported as saying:

Few countries have yet been able to make much headway toward freeing their foreign commerce from import, export and exchange restrictions. Actually the progress that is being made in some countries in this regard is being largely offset by the increasing extent and severity of restrictions in other countries. Not only that. Our old aversion, the bilateral agreement, in its many different forms, is very much in the picture. The proportion of total world trade that is being moved today through the closely controlled channels of bilateral trade and financial agreements is probably greater than it ever was at any previous period, including the eight or ten years of the pre-war depression when the German-inspired system of barter and compensation trade was at its height. Bad as it may be from the standpoint of liberal commercial—

That is a liberal with a small "l".

—policy, it may be taken for granted that this widespread use of bilateral agreements is not going to disappear, nor be much reduced until unstable currency values and heavily unbalanced trade between different areas has been corrected to an extent that will assure the many countries that are using this trading system that they can give it up safely and with something better in sight.

That is a rather broad and most interesting statement by the Minister of Trade and Commerce of this country.

Mr. Howe: I never took any other view.

Mr. Coldwell: Speaking from the other side of the house I have always felt that the moment bilateral agreements were mentioned, immediately there was a feeling, and indeed sometimes there were remarks which indicated, that to a similar proposal here the answer would be, "No." While the minister in his speech did not say that he was prepared to embark on bilateral agreements, he states most plainly that for some time to come that is the method by which many countries are going to trade.

Mr. Howe: I said that there is a great deal of it, but we are not going—

Mr. Wright: You will not trade at all.

Mr. Coldwell: May I read that again:

Bad as it may be from the standpoint of liberal commercial policy, it may be taken for granted that this widespread use of bilateral agreements is not going to disappear, nor be much reduced until unstable currency values and heavily unbalanced trade between different areas has been corrected to an extent that will assure the many countries that are using this trading system that they can give it up safely and with something better in sight.

[Mr. Coldwell.]

As the minister puts it, that is the system that many nations are using; and let me remind him that among those many nations are some of our best erstwhile customers. If our own surpluses are going to continue for some time to come, as the minister suggests, then I say that whether we like that system of trading or not we should be considering it. I am not saying that the minister said that.

Mr. Howe: Up to this moment we have been able to successfully sell all our surpluses without resort to bilateral agreements.

Mr. Coldwell: Supposing I accept that statement except, as the Minister of Agriculture said recently, for a little butter, a little bit of cheese and some honey, why have we been able to do that? It is not because we are exchanging goods; it is largely because our overseas customers have been financed from ECA and Marshall plan funds.

Mr. Howe: That statement is greatly exaggerated.

Mr. Coldwell: That may be so. It may be somewhat exaggerated, but if we look at the trade relations of our country what do we find? I do not want to enter into this phase particularly, because it really does not come under the resolution I am discussing; but taking our trade relationships we find, for example, that we accepted some \$400 million less in goods from the United Kingdom than we sent to them. I am speaking from memory, and it is around that figure. That has to be financed in some way. As a matter of fact it almost balances the amount representing the excess of what we bought from the United States last year over what we sold to them. When Marshall aid and ECA dollars are finished we shall be driven to consider ways and means of trading our surpluses in exchange for goods we can use. The minister shakes his head, but surely that is the way trade should be carried on even if we do not make bilateral agreements.

I do not know whether there is any truth in the statement in the evening paper, but if there is we are going to place another barrier against the sale of Canadian farm products and other commodities to our customer across the sea. There is a story in the press tonight that British cars coming into this country will be impeded by the imposition of some form of dumping duty in order to raise the prices more nearly to the level of our Canadian cars. I hope that is not true.

Mr. Howe: Who is going to do that?

Mr. Coldwell: The article said that the government was considering it.