

ion here would demand that this unfair competition be met by some retaliatory action on the part of our government.

I believe, honourable senators, that there is no royal road to the successful achievement of an export market. Some temporary advantage may result from a depreciation of currency, but the whole history of commercial transactions proves that the benefit is transitory and illusory, and that it only creates further instability. What our country and other countries have to do is produce articles as cheaply as possible, and give service in the selling of them. Producing and selling should be done in such a manner as to avoid stirring up public opinion in the country in which we sell. Otherwise our efforts can only result in some retaliatory action.

Taking the long-term view of our position as an exporting country, it would be of great advantage to be able to look forward to a period of reasonable stability. That would not mean that if need should arise we could not ask for and secure assistance under the terms of the International Fund agreement. Should our cost of production and price level reach such heights that we could not sell to the American market, for instance—which is the reverse of the situation with respect to some other countries—we might reasonably ask for relief from what is referred to as a fundamental disequilibrium; and it could be corrected by a depreciation of our dollar value. We do not think today that our dollar value is too high; the position is exactly the reverse. Our ability to sell in export markets is largely of our own making. As the leader of the opposition pointed out, the reason we do not ship cattle, wheat, lumber, and many other commodities to the United States market is not that our price level is too high to enable us to do so, but that the Government of Canada, rightly or wrongly, has thought it proper up to the present time to require an export permit, the object being to regulate the amount of goods left in this country.

Hon. Mr. HORNER: "Embargo" is a better word, is it not?

Hon. Mr. ROBERTSON: My honourable friend is quite right. I am only concerned to point out that in years to come this country might have not only a surplus, but a surplus at such high prices that it could not be sold in competition with other exporting countries. Were that condition established beyond question, it might be well to reduce the value of our dollar in relation to the United States dollar; but of course it would then have to be permanently placed on that basis. The prin-

ciple is that exchange fluctuations designed for immediate commercial advantage are opposed to the spirit of stability of the International Fund. What we and all other countries are supposed to do is to produce articles on a fair and reasonable basis, in accordance with fundamental laws, and not resort to easy ways of doing business, because neither we nor any other country can get away with that kind of thing; it is a game at which two can play.

On February 18, 1946, the Economic and Social Council of the United Nations resolved to call an international conference on trade and employment to promote the expansion, production, exchange and consumption of goods. This is the conference which began in Havana on November 21 and is still in progress. In the interval, a preparatory committee has been at work preparing a draft charter for consideration at this conference. This charter would set out a body of rules for the conduct of international trade and the establishment of the I.T.O. This preparatory committee of the Economic and Social Council of the United Nations consisted of all of the eighteen nations on the Economic and Social Council, excepting Russia, which refused to take part. The committee held sessions at London in the fall of 1946, and in Geneva during the past summer. At London the United States took the lead in proposing a draft charter for the I.T.O., and it is this basic document, modified by the views of the other members, which has finally emerged in the form in which it is now being considered at Havana. Its text appears on page 7 of the second report of the preparatory committee, which I believe has not yet been distributed to honourable senators.

The charter—that is, the general one which was under consideration at Havana—consists of nine chapters of a hundred articles. They cover the whole range of international economic relations. While recognizing the problems of the immediate transitional period, in many compromise and escape clauses to which my honourable friend the leader of the opposition has correctly referred, they commit the nations to the eventual elimination of restrictive and discriminatory trade practices which in the past have strangled world trade.

In the meantime, at the first meeting of the preparatory committee in London, it became evident that there would be a long and difficult period before the provisions of the draft charter, the one under consideration at the moment at Havana, could be fully implemented. The United States, in particular, was most anxious that the achievement of these long-run objectives should be given every possible encouragement, and therefore urged