

*The Address—Mr. Coldwell*

surpluses should be set up. Then the movement of these surpluses could take place in a manner which would not threaten the stability of the prices of agricultural products. Then the terms of distribution would include the payment by the importing country of the maximum proportion it could afford of the prices paid to producers of the surpluses. I am, of course, paraphrasing the federation statement. The difference between the initial price, as agreed between the agency and the country of origin or the exporting country, and the lower special price paid by the importing country, would be borne equally by the agency and the country of origin. The funds of the agency would be subscribed by interested governments on a basis to be agreed upon by them.

It may be said, and it is true, that a plan of this kind requires action at the international level. It may be said that it would be some time before such an agency could be set up. What we need is international action now, and not wait for any great length of time. We say that Canada, as a major food-producing country, not only should have an influential voice in pressing for the adoption of a plan of this kind, but that up to this time the government has not given any evidence that it realizes the value of such a plan or indeed that we should have an immediate policy of our own.

We are going to make some suggestions this afternoon. We suggest the adoption of an immediate program of our own, to be financed as part of our program to assist underdeveloped countries; and may I say that this appropriation might be regarded as a legitimate defence expenditure. And since international tension—and this is the general opinion of those present at the United Nations this year—has been lessened, and our rearmament program has already provided us and our allies with vast quantities of arms, some of the appropriations that were intended for those purposes during the current year should be devoted to what we believe to be an effective method of checking soviet influence in the underprivileged countries.

In other words the time has come when we should appropriate part of our defence expenditures to assist in building up the economies of those underprivileged countries. And may I say I believe that this is enlightened self-interest on our part; because, as an exporting country, the more we encourage the underprivileged to improve their own conditions and build up their own economies and raise their standards of living, the more likely it is that world trade can be expanded, and that Canada can benefit from that expanded world trade.

In the nearer picture, we believe that Canada should also endeavour to reorient its trade with the United States more and more into the sterling area, in recognition of the fact that more than half of the world's trade is still done by the sterling area, not to mention the fact that Canada's most reliable markets in the past have been in the sterling countries.

We believe that Canada should (a) accept sterling as a means of part payment for some of our wheat and other agricultural surpluses, including commodities such as salmon and apples, which those countries have got from us in large quantities in the past. Then (b) that we should place a higher proportion of our foreign orders for governmental supplies in the sterling area. I am not going into that this afternoon. However, I did put figures on the record during the last budget debate. It was astonishing to see that Canada was buying so largely for governmental purposes in the United States, when the same kinds of goods were available in the sterling area, particularly in Great Britain.

Then (c) we should lower tariffs and dumping duties on their exports to us; and (d) we suggest too, as an emergency measure, the postponement of further capital and interest payments on the United Kingdom loan obtained from us in 1946, which was to run for a period of 3½ years, which they are now appropriating funds to meet, and are repaying.

I have made those proposals in the house before. I made them in the last parliament, and I repeat them today. And may I point out that while we were somewhat ridiculed for talking about sterling as payment in part for Canadian goods, what do we find? We find that the United States congress has authorized the acceptance of sterling and francs, as well as other currencies, to dispose of United States surplus products. Here, again, probably we shall follow along behind the United States, hanging on to Uncle Sam's coat tails, when we should have been giving him the lead a year or two ago. That is the situation.

Those are some of the means by which we can establish a stable economy. Tariffs and dumping duties against foreign goods are, in effect, walls against our own income. We believe that international agreements providing for the exchange of goods—not, of course, through the manipulations of tariffs, but rather through import-export board arrangements—are the intelligent method in modern times, in matters of trade. Those methods should be followed more and more by all countries. Indeed, Great Britain is following