

The Address—Mr. Adamson

people from having more than \$150 in United States funds. Investigators have to watch service stations and tourist resorts to see that they do not accumulate United States dollars.

Increasing police action to control the value of our currency means that that currency is not freely accepted; and unless a currency is universally accepted at its face value, the exchange rate is not a true one. Twice in the House of Commons I have moved for the abolition of the foreign exchange control board. I realize however that to take precipitate action now is probably impossible. Unless we can do away with currency control, unless we can have a currency freely exchangeable in the markets of the world, we are deluding ourselves that real trade recovery is taking place. That is the situation today in Canada.

The current move, the move that was so hotly denied as likely to take place, yet one which has become more and more obvious and inevitable as time has gone on, will not in my opinion relieve the pressure on our economy. It will not make it easier for us to trade internationally. Let me say just one thing about international trade; unless we can build up a trade and maintain it with the entire world, we are going to become ever more dependent upon the United States market. As each market is lost to us and as each market becomes more and more restricted against us, because we still demand payment with 90 cents of hard currency, our trade will become more and more concentrated on the North American continent.

What does that mean? It means simply this, that we are becoming more and more dependent upon the United States for our economic well-being. Perhaps you say that that is as it should be, that no two countries have better feelings toward each other, that nowhere is there more genuine good will than is to be found between the United States and Canada, and that therefore they should trade. Quite right; they should; and the greater volume of trade we can carry on with the United States, the better. But if our trade becomes overwhelmingly with the United States, and if our markets elsewhere are either lost or so restricted that they are negligible, then the power exercised by a great industrial country ten times the size of us will be so great that our economic future will be in jeopardy. I want to make it very clear that if our economic future is in jeopardy our political future is also in jeopardy. If such a percentage of our trade is done with the United States, and if, by reason of depression, because of surplus products in the United States, or for other reasons, that market is closed to us either by government or economic action we

shall find our economy virtually strangled. If so, Mr. Speaker, I warn the house that our future as an independent country is in grave jeopardy.

There can be no question of that. The history of the last twenty-five years in Europe has shown that a small country which became entirely dependent on a large neighbour lost its security and eventually its identity. The small countries which have remained have remained because they were virile traders and independent producers in their own right. The small countries that have disappeared have been those which became wholly dependent on their large neighbours. That is the grave danger which this country faces today. We must trade internationally to exist. We can no more allow ourselves to become wholly dependent on one market than we can afford not to co-operate with the other nations of the Atlantic pact.

Possibly never in our history has so grave a decision been necessary on the part of the Canadian people. Never before has the impact of international trade been so important to us in Canada. We must find a solution for the currency question. Artificially pegging currencies through the device of exchange control will not solve the problem. Entering into barter deals, bilateral agreements, will impose state trading agencies on this free country. The channeling of our trade overwhelmingly with the United States will make us so dependent on that country that our economic well-being will be in jeopardy.

There is one solution which I have suggested. My party adopted it as a part of its platform. It is still an important factor in the life of Canada. We have got to provide ourselves with a convertible currency. It is suggested that the only common denominator against which currencies can be compared is gold, or a currency freely convertible into gold at a fixed rate. The United States dollar, Mr. Speaker, does not fulfil those requirements because it is not convertible into gold on account of the United States Gold Act, which prevents nationals from buying gold at the statutory price of \$35 in the United States. Therefore in order to establish a medium of exchange, and a way in which we could provide ourselves with a convertible currency, it is suggested that a free-gold market be established in Canada against which all other currencies would have their due and proper price. Not only that, it would provide a free market for currencies in Canada so that the buyer and the seller could meet in the open market place and carry out their trading deals.

If we do not get back to a condition of free trade we are faced with the acceptance of the

[Mr. Adamson.]