resulting from it will undoubtedly be presented to this house for consideration in due course.

Before I go into a little more detail I think it would be well for us to refresh our memories of what happened immediately before and after the last war, in order that we may better appreciate the efforts that are being made to build on a firmer base than was then established. Many honourable members know far better than I do that prior to the last war international trade in the main was on a reasonably satisfactory basis. Great Britain was the chief trading country of the world; her markets were open to the produce of other countries; she was the world's banker. We in common with other countries found in her a ready market for our supplies, and enjoyed a reasonably smooth flowing of trade backwards and forwards. It is true that Canada and some other small countries had erected around themselves tariff barriers by means of which they sought to encourage a degree of development within their own respective territories; but, as compared with today and recent years, there had been relatively few obstacles in the way of the free flow of trade. The United States had been more or less a nation to itself. It was a very large country, with tariff walls around it, and not a big factor in international trade. I think that perhaps the first move of major importance made by the United States in recent years toward the removal of tariff barriers was the reciprocity proposal of 1911. As honourable senators will recall, it did not materialize. Then, in 1913 the United States introduced the Underwood tariff, granting concessions which, although not as great as would have existed under the proposed reciprocity agreement, nevertheless were a material factor in opening markets for our exports.

With the Underwood tariff in effect, 88·4 per cent of our exports entered the United States duty-free, and our trade with that country grew from $138 million in 1914 to $542 million in 1920. That period after the First Great War was marked by dislocation of European production and trade, and there began to appear what had hitherto not been a factor of any importance in international trade, namely, exchange restrictions and quotas; and they were followed by wide fluctuations in currency. In 1921 our currency dropped to 87 cents in relation to the American dollar. That year the United States, for one reason and another, including the effect of the depreciated currencies of other countries, imposed what was called the Emergency tariff; and Great Britain departed from her traditional policy of free trade by imposing a tariff of 33⅓ per cent to protect her key industries. In 1922 Congress passed the Fordney-McCumber tariff, and our exports of farm products to the United States, which in 1920 had amounted to $191 million, fell by 1929 to $92 million.

In the period between 1922 and 1929, largely as a result of the dislocations following upon the First Great War, all countries were busy erecting tariff walls. French tariffs went up to seven or eight times their pre-war level. Europe's huge debts could be paid off only by the sale of goods or the receipt of further loans. But the new tariffs and the flight of capital prevented either solution, and the result was a merry-go-round of default, currency depreciation, import quotas and exchange restrictions. In 1929, as honourable senators will remember, the depression began, and in the next year the United States imposed the Hawley-Smoot tariff. Under that tariff Canadian exports of farm products to the United States fell from the 1929 total of $92 million to $6 million in 1932. copper exports fell to one-sixth of their 1929 value, and lumber to one-fifth. In 1931 the Canadian dollar fell to a new low of 84 cents. During that year nineteen nations went off the gold standard, sixteen devalued their currency, and twenty-one introduced exchange control.

In the period from 1932 to 1935 the empire preference wall was erected. Then came a collapse in the United States, accompanied by bank failures and depreciation of currency. Every nation tried to export its unemployment problem by restricting imports, devaluing currency, controlling exchange, imposing quotas and embargoes, and by using a host of other devices which strangle trade.

The years 1935 to 1939 were characterized, however, by a new attempt to reopen trade. The United States reciprocal trade agreements program was the first step in a long process of cutting tariff barriers. In 1935 and 1938 Canada signed trade agreements with that country, and our exports to it began to climb; but very slowly. The actual figures were $305 million in 1935 and $376 million in 1939.

The years 1939 to 1947 brought a new spirit and a new set of economic controls and restrictions. There were, for instance, the Hyde Park agreement, lend-lease, mutual aid, the Atlantic Charter, the Bretton Woods agreements, loans to Britain, export credits, and now we have the Geneva agreement. It must be remembered that the various obstacles to trade during the war seemed to have a greater effect on the United States, than on ourselves. It is unbelievable that the mistakes made after the First Great War should be repeated in an endeavour to have