

The Address—Mr. Adamson

that we do in Canada. We depend on export trade and we are more vulnerable in the present situation than either the United Kingdom or the United States. That is a fact which is not generally appreciated by the public in Canada.

If our export trade fails, if we are unable to export the produce of our mines, our forests, our farms and our manufacturing industries, the economy of Canada comes to a standstill. That is the situation with which we are faced. There were two ways out of it. There was the way which the government has just taken. I would remind you, sir, of the ridicule, and scorn, heaped upon myself and my leader when we proposed the 10 per cent devaluation, which has just taken place, as one of the steps necessary to re-adjust our currency position. We were told, Mr. Speaker, that 10 per cent was a useless palliative, and would not cure the ills that beset this country. Fifteen minutes ago they adopted this useless palliative, and I say, Mr. Speaker, it is a useless palliative at the present time. It is inadequate now to cure the ills which beset us.

What are we faced with? We are still faced with a ninety-cent United States dollar. Those to whom we must sell must provide themselves not with one hundred cents of hard currency but with ninety cents of hard currency, and any country that has no hard currency is going to find it just as difficult to get that ninety cents of hard currency as it did to get a hundred cents of hard currency. The point is still that the trading economy of this country is in a strait-jacket.

During the last session we advocated the abolition of exchange control. We realized, Mr. Speaker, that our adherence to the Bretton Woods agreement and our membership in the international monetary fund required us by treaty to have our views presented to that organization before we took action. With that I am in entire agreement and concurrence. Rightly or wrongly we put our name to a treaty and we must stand by our name on that treaty. There were, however, and there have been for some time past, means which we could have taken to have overcome the difficulties which were gradually besetting us, and I say that they were troubling us a great deal more than they were either of the other two countries in the English-speaking partnership. We stood to suffer. We were the small country between the two great trading empires. Not only were we the small country. We were the small country with an enormous productivity and an enormous export trade. And yet we put ourselves in this strait-jacket of demanding payment in

a currency or in gold which the other member of the union which was our principal customer could not provide itself with. If there was ever a time when it was the bounden duty of Canadian statesmen to do everything possible to break down this impasse in currency, then this is the time. This is a matter of nothing else but currency control. We have the goods the world wants, and we can produce them at competitive prices. We have the foodstuffs, we have the timber, we have the base metals, and a greatly expanded manufacturing industry efficient enough to compete with the rest of the world.

All we needed was the right type of chip to play in the game. But all through the years 1946, 1947, 1948 and 1949 the government said, "The game is going on; we must play it, but we are not going to try to provide ourselves with the right sort of chips." We maintained our tie with the American dollar, which as the months went on became more and more difficult for the rest of the world to acquire.

The economy of Europe has made a great recovery. However at the same time that it has made the recovery it has also entered the competitive markets of the world to a point where, instead of Europe being a great consuming market for Canadian goods, today Europe is becoming a competitor. We find industry after industry, first kept out of the market by our exchange rules, and now in the second place not only finding the market gone but, where there was once a market, finding now an active competitor.

There can be no solution for this impasse until we have a convertible currency. To attempt to fix the value of any currency by government edict is doomed to failure. It may continue even for a matter of years; but unless the world will freely and openly accept your currency at the amount at which you peg it, then what you say your currency is worth has no real or valid meaning. That has been the result in all attempts to control currencies throughout history. For a time they have succeeded. It is devoutly hoped that the courageous action taken by the United Kingdom will succeed at least until such time as she builds up a near equilibrium in trade. But it will not succeed if the world does not consider the English pound worth \$2.80 in United States currency.

It is not for the government of England to say what that currency is worth. They pass a law saying it is worth so much; but they have to enforce that law by police action, just the same as we have to enforce our currency control law by police action. That is, the officials at the border must prevent