

*The Address—Mr. St. Laurent*

come to trust and upon which they can rely, it is unwise, I suggest, to build up a straw man for the purpose of knocking it down, and build it up upon distortions of what the public knows to be the real facts.

Then, there is one other matter to which the hon. member has referred today. He has pointed out that when, about a year ago, devaluation of the Canadian dollar was suggested it was treated by us as nonsense, but that nevertheless shortly after the election of last summer the dollar was devalued. Well, I suggest it would be wise to see what changes occurred in the meantime.

A year ago it was proposed that there be devaluation of the Canadian dollar, and this at a time when the Chancellor of the Exchequer in the United Kingdom was declaring that sterling was not going to be devalued. The suggested Canadian devaluation would have been for the purpose of increasing the possibility of exports to the United Kingdom. We said it appeared to be nonsensical, because it would have made it all the more difficult for the United Kingdom to pay for Canadian exports by selling their goods to us; because if we had devalued at that time an import from the United Kingdom costing 90 cents would thereafter have cost one dollar. But when the United Kingdom devalued their sterling and made their price, instead of a dollar, 70 cents in Canadian currency, we found that that was going a little bit too far.

We had contended that their prices were too high to enable them to earn Canadian dollars in our market and be able to use those Canadian dollars to pay for our exports. But we felt that a 30 per cent devaluation in terms of Canadian dollars was rather more than the circumstances justified and, instead of leaving it at 70 per cent, we devalued our dollar by 10 per cent, thus making it 80. That was a very different situation from the one which existed at the time hon. members were suggesting that the Canadian dollar should be quoted at its real value. Whatever they meant by "real value" at that time, it was of course impossible for anyone to determine.

The leader of the opposition (Mr. Drew) talked today about the reasonableness of making currency convertible. The difficulty is not with respect to the converting of currency, but is rather with respect to the exchange of goods. Trade is not the passing of pieces of paper from one person to another. Trade resolves itself into the exchange of commodities; and the difficulties about the non-convertibility of exchange arise from the fact that there have not been commodities which could be delivered to us in exchange for our commodities exported to the United Kingdom.

The hon. gentleman has dealt at considerable length, and I propose to do likewise, with the unemployment which has developed to a significant degree in the last few weeks. This is a development which everyone regrets, both because of the hardship it imposes upon the families and individuals involved, and because of the loss of productive effort to the nation which is involved in any increase in unemployment.

But before we rush in with any rash generalizations, or are too much impressed by memories of the hungry thirties, I think it would be well for us to look at the real facts of the situation. The first real fact is that we have now, including Newfoundland, the largest labour force in our history. This labour force totals more than five million men and women. Our labour force is not only the largest we have ever had, but it is the best trained, the most skilled, the most diversified, and most productive.

Our greater productivity is attributable not only to the experience the labour force itself has gained through its varied skills, but through the experience management also has gained. I think it is fair to say that our labour-management team, that combination of labour and management today, is equipped with new and modern plant, machinery and power facilities resulting from the wartime and the post-war capital investment program which have been very large indeed.

I suggest we may speak with some pride of our labour-management team in Canada. With only a few regrettable exceptions, over the last few months labour and management have been able to get along together; and whenever any differences have arisen they have been able to sit down at a table in a practical and common-sense way. We have avoided the bitter, industrial strife which inevitably tends to develop class hatreds and leads to political as well as economic anarchy. When we consider the situation in some other parts of the world I think we can be sensible of the good judgment and reasonableness most of our management and labour leaders have shown in the post-war years.

The composition of our labour force is varied, and this fact must be kept in mind when one is considering the measures required to meet an unemployment situation when it develops. It is true that there has been a great increase in the mobility and adaptability of Canadian labour in general; but there are practical limits within which that adaptability and mobility can be exercised. For example there is no point in providing a girl who has been laid off from a small textile plant with a job which would arise from the construction of a sewer project nearby.