

under it if the period of drought and decreased prices were to extend over such a long time.

I think Senator Yuzyk will agree with me that farming practices in the Prairies have changed a good deal since the 1930s. I doubt very much that the producers of cereal grains will see another period such as was experienced in the 1930s. There are many built-in factors to prevent a recurrence of that. Moreover, world conditions are much different today from what they were then.

It is my hope that such conditions will not occur again, but anything is possible so I suppose they could. But, I repeat that if that were to happen then, in my view, it would be necessary to amend this legislation in order to make it do the job it is designed to do. Obviously, only the future will tell. If we find ourselves in such conditions I will be one of the first to complain.

I think I have answered the main questions the honourable senator asked. If my answers are not satisfactory, I hope he will put the same questions to those people who will be present when the bill is before the committee.

Honourable senators, if the bill receives second reading I shall move that it be referred to committee.

Motion agreed to and bill read second time.

#### REFERRED TO COMMITTEE

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the third time?

**Senator McDonald** moved that the bill be referred to the Standing Senate Committee on Agriculture.

Motion agreed to.

#### FREE TRADE

##### AN ECONOMIC CONSIDERATION FOR CANADA—DEBATE ADJOURNED

**Hon. Paul Desruisseaux** rose pursuant to notice:

That he will call the attention of the Senate to the question of total free trade as an economic consideration for Canada.

He said:

[Translation]

Honourable senators, total free trade, as recommended by some economists and recently envisaged by the Economic Council of Canada to help expand our foreign trade, deserves serious consideration.

We now know that Keynes' theories were adopted because of their palatable ability to indefinitely postpone our debt problems at all levels, and thereby stimulate the economy through indebtedness. But they now confront us with huge and constantly increasing obligations, the meeting of which would truly impoverish us. With all its benefits, Keynes' policy has been very costly indeed. We succeeded in building up a national debt of astronomical proportions, and the payment of interest absorbs a growing part of all government revenues. The money we have been keeping in our pocket does not in fact belong to us.

And because of our obligations we will leave behind an embarrassing deficit and a heavy debt burden for our

[Senator McDonald.]

children and future generations to pay, for which history will hold us responsible and may even condemn us.

● (2030)

This is one of the reasons why I constantly emphasize the importance of carefully choosing an economic policy which entails no instability, especially since we are now reviewing our economic guidelines and rethinking our means of developing international trade with industrialized and underdeveloped countries.

It has become a fashion for some well-known economists to favour for Canada an absolute trading policy, which, in my opinion, is far from rational.

I believe that to be effective, free trade must occur in some areas of our economy and under specific conditions which do not involve any element which could create a significant deficit in our economic balance. It remains difficult for the practical man to understand how there can exist a country like ours, which has a high standard of living and strong safeguards against high unemployment, where families spend more because of extreme temperatures, but obtain from the state medical aid, a retirement pension and a minimum guaranteed income in case of unemployment, while the state endeavours to obtain the necessary funds or to assume debts which will eventually become payable.

It is under such conditions that our Canadian manufacturers must produce. This is why the cost of export products can double or triple when they deal with other countries which do not have to face major marginal requirements.

There are more people in Canada, and especially in Quebec and in the provinces, who count on secondary industries for their economic survival. The damage caused again recently to important sectors of secondary industries by a simple relaxation of tariff protection in certain areas, without compensating advantages in our exports, can only forecast other disasters which will result for our economy and our secondary industries from the careless and purist implementation of a totally free trade policy in Canada.

[English]

The secondary manufacturing industries, which would be greatly affected by absolute free trade, have been, are still and must continue to be the mainstay of Canada's economy. Their constant development is important for Canada. They are as indispensable in our economic system here as in any good system elsewhere. Without them, Canada would not be able to survive as one of the major industrial nations. William Loughheed's surveys, along with many other surveys by recognized reliable economists, support these economic views.

One does not have to be an economic scholar to affirm that, with regard to our national economy, in order to increase the growth of our gross national product, secondary manufacturing will have to be nurtured with a view to playing a much stronger role in our economic life. Realistic economic policies for long-term application will have to be agreed on, first with our provinces, then with foreign traders. These economic policies will have to be reliable, uniform and stable. They will have to be carried out with the avowed object of putting our Canadian economy on an assured long-term line of favourable trade balances so as to