exceeding sixty cents, thus giving to Canadian business the stability which the Americans have found necessary to give to the business men in their country. This means a reduction of forty per cent of the cost of government and the cutting down of the principal as well as the interest on our Government securities. I do not expect that this will have the approval of those who hold such securities, but, after all, our dollar is worth only sixty cents to-day. They would be getting back a sixty-cent dollar, worth more than the dollar they lent in 1929. I have long felt that in one way or another a compromise had to be made with the debtor class in this Dominion, cutting the debt about in two. Personally I favour such a plan, believing that half a loaf is better than no bread.

Heretofore, when the United States was on the gold standard, we had to pay one hundred cents plus exchange. Such an arrangement would have meant bankruptcy for our industrial organizations whose obligations matured in New York. Now that the American dollar is reduced to sixty cents, no industry will suffer from a similar reduction in the Canadian dollar, and certainly no company should profit by it.

The people of Great Britain severely criticize the Americans for going off the gold standard and deliberately pounding down their dollar when they had more gold than was required. Great Britain, on the other hand, was forced off the gold standard, and the stabilization fund has been used only to maintain the stability of sterling. Canada, on account of its obligations in the United States, necessarily follows the American dollar. Consequently, we have no alternative and our dollar is now worth only fifty-nine cents. It is the opinion of some of the best financial men in London that our position is analogous to theirs and that we could no more be accused of repudiation were we to stabilize at the market value than the British would be be if they stabilized their pound at the present gold price, roughly 14 shillings. As a matter of fact, a prominent British economist, speaking to the members of this Parliament, stated that the pound would not be re-established at more than four dollars. There is no talk of repudiation in that. There would be no justifiable criticism, nor could we be justifiably accused of repudiation, if we were to stabilize our dollar at the market price to-day. Devaluation has already occurred, and I submit that in the best interests of the business of this country the Government should lose no time in announcing its intention to stabilize the dollar at not more than sixty cents.

Hon. Mr. LYNCH-STAUNTON: Should we not have to pay forty per cent exchange on our debts to the United States?

Hon. Mr. McRAE: I have already explained the difference between conditions prevailing this year and last. Last year, when the dollar was worth one hundred cents plus exchange, the suggestion I am making would have meant many extra million dollars to our industrial institutions that owed money in New York; but to-day we are assured that the American dollar will not exceed sixty cents. Therefore no hardship would result to our industries under my suggestion.

Hon. Mr. LYNCH-STAUNTON: Our debt is payable in gold. Lately Mr. Justice Farwell held that a debt payable in gold was payable in sterling, but a few days ago the House of Lords decided he was wrong, and the debt must still be paid in gold.

Hon. Mr. McRAE: I have no doubt that that would not apply in the United States, for it would defeat the object the administration has in view.

Recently I made a trip to Europe particularly for the purpose of getting first-hand information on industrial and other matters, and the remarks which I am about to offer are based on that information. I went over to Europe holding the view held, I imagine, by most honourable gentlemen—that the world was tariff mad, and that there was a general tendency throughout the nations of the world to let down the tariff barriers with a view to extending international trade. I regret to say that so far as I was able to ascertain, that opinion was without any foundation in fact. Quite the contrary is the case. Every country in Europe is endeavouring to put up barriers; and where the tariff is not high enough, embargoes, export licences and quotas are imposed. I am told also that this is true even of Mexico, and certainly it is true of the countries of South America. So to-day we find the nations of the world closing their doors against imports and resorting to what might be called a modern system of barter. The system of barter is very general in Europe, and only lately we have seen the United States endeavouring to exchange hogs for Scotch whiskey. There is not much encouragement for increased exports on that basis.

Canada, unfortunately, on account of its geographical position, cannot be self-support-