In the years preceding the last Great War, in line with the Fascist and Nazi philosophy which gripped the world at that time—and still does—and in conformity with economic nationalism, the nations of the world joined in a movement to kill all international trade by tariffs, quotas and prohibitions. When the war broke out, most nations, including our own, established a control over currency as well as over commodities—as a war measure of course. In accord with world policy, Canada erected a Foreign Exchange Control Board to which it gave a government monopoly of foreign exchange in our country. We arbitrarily fixed the rate of exchange, or declared parity, which is the same thing, irrespective of financial balances and in defiance of the true or market value of our money. The automatic corrections of a free market were, in consequence, lost to us. Rigidity took their place. When the war ended Canada had in the hands of her Foreign Exchange Control Board $1\frac{1}{2}$ billion in American currency and credits which she had taken from our citizens in exchange for our own money and the government had determined and was maintaining a fixed rate of exchange.

Honourable senators who were in this chamber in 1946 will remember the vigorous resistance which some of us presented to those controls. I refer particularly, and with my hat off, to the honourable member from Vancouver-Burrard, the late lamented and much-missed "Gerry" McGeer. I refer also to the honourable member from Churchill (Hon. Mr. Crerar); and there were others. And I recollect myself expressing "my whole-souled, deep-rooted opposition to the principle of the bill." The bill was carried on division, and the Foreign Exchange Control Board continued to maintain an artificial rate of exchange, making good out of their reserves the losses on each individual transaction. This foolish procedure continued until $1 billion had gone down the sink—$1 billion of Canada's resources. Then of course there was a crisis. Some people in the Department of Finance got up early in the morning—

Hon. Mr. Haig: Or stayed up late at night.

Hon. Mr. Roebuck: No, I think they got up before their eyes were open; and overnight we had a long list of prohibitions against purchases in the United States, designed to kill trade in order to save the remaining half billion dollars of our reserves.

The matter came before this house again in 1947, and I then declared that I would abolish the Foreign Exchange Control Board, root and branch, and leave our foreign exchange, both United States and sterling, to react to its natural normal equilibrium. I closed at that time with this observation:

> The Liberal policy should be the development of a truly and genuinely free economy, in which we may depend upon the genius of our people to restore and maintain the well-being of the nation.

But a free economy is the last thing desired by the bureaucrats of this or any other country. The Marxian philosophy of a controlled economy has prevailed. Canada, Great Britain and all the rest have maintained fixed rates of exchange and have endeavoured to beat the market by all sorts of compulsions and restrictions, quotas, tariffs and so on, which have harassed the business world. For months we in Canada, and the Crippses in England and elsewhere, have been endeavouring, like old King Canute, to sweep back the sea, until all of us have got our feet wet, and some people have been nearly drowned. The trade upon which Great Britain depends for its existence, instead of responding, as it always did in the free markets of the past, has been nearly ruined.

The market, gentlemen, has won in this contest, as it always will win, irrespective of the powers and the egotisms of governments which propose to coerce it. Canada and the United Kingdom have been forced to acknowledge the real facts and to devaluate their money. They have done so in the hope that a nearer approach to the true situation and the actual facts will revive a trade which they themselves have nearly murdered. The arbitrary rate of exchange which has now been announced is nearer than was the past rate to the true worth of the currencies, and I hope it will have the effect that is anticipated; I expect that it will have, in some degree. But I would point out to you, my fellow members, that it is still an arbitrary, inflexible rate of exchange, and that, like the law of the Medes and the Persians, it altereth not—at least until the Crippses say it may. As a consequence you have lost once again that correction which comes from an unrigged market and those natural equilibriums which are so valuable in the carrying on of any business. The world seems to have learned little by its experiences and, instead of returning to the rule of natural law and the impartial adjustments of an unrigged market, it still tolerates its uncrowned Caesars with their monkey-wrench on the balance wheel, with a consequent permanent state of disequilibrium.

Honourable senators, I have spoken a long time, and you have been most patient in hearing me, so in conclusion may I just summarize as follows: I submit, first, that Canada the United States and Great Britain should