

the countries of Europe; and that was done in each case because the value of the currency had gone down in relation to the value of United States currency, which is accepted as the base. I think it would have been better for us if the government had not fixed a definite price for our dollar, but had allowed it to find its own price on the world's market; because if the present rate of discount does not accomplish the desired purpose there will have to be a further discount, and every such adjustment will become an increasingly difficult one. I say quite candidly that in my judgment we should not have interfered with the exchange rate in July 1946; we should have held the dollar at 90 cents from that time on. Now we are back to that rate.

These changes cause widespread interference with world trade. Just the day before yesterday we read that Great Britain had concluded a deal with Czechoslovakia for the purchase of lumber from that country. I do not know anything about lumber, but I see some lumbermen about me, and they will understand how much harder it is going to be to sell their products to Great Britain because of this deal with Czechoslovakia. An honourable member—I believe it was the mover of the address—said he believed in multilateral trade. It is very well to say that, but how are you going to get multilateral trade unless you have a standard of currency acceptable to the countries ready to trade with you? Look at what happened to Britain. United States purchasers would not buy British goods because they felt the pound was at too high a rate of exchange in relation to the American dollar. Anyway, I am glad that at last our government realized that the Canadian dollar had to be devalued. The government resisted devaluation for a long time, and I know that arguments can be made to support the resistance. We read these arguments every day.

We are being faced with the keenest trading competition in our history. A year from the 31st of July the grain produced in my part of the country will be sold on the open market; it will still be handled by the pools, but there will be no contracts. Honourable members know that I have protested in this house before about the price of \$1.55 that was set for our wheat sales to Britain, but I was advised to wait and see what would happen after the contracts had expired. The prediction was that Britain would want to continue buying Canadian wheat. Well, do honourable members think Britain will buy Canadian wheat next year if she can make a deal to buy more cheaply from the Argentine, or from Russia or France? And in any event, how could she buy from us if the United States, which is putting up the money, insists that American wheat be bought with it? That is

what the United States will insist on. The question is, not what Britain wants to do, but what she can do.

The government is going to run into heavy losses next year in its trading operations. I noticed a report that up to the 31st of March last we had lost half a million dollars in the buying and re-selling of fish. We cannot go on buying fish, potatoes, cattle, hogs and so on and selling them at a loss. Now the government is buying butter. I direct this particularly to the attention of the senator from Waterloo (Hon. Mr. Euler).

Hon. Mr. Euler: Eat margarine.

Hon. Mr. Haig: The government is buying up butter, and it will take a big loss before it is through. Every time the government goes into a commercial enterprise of this kind it rides for a fall.

In my opinion the next three or four years will be most difficult ones for Canada. Let me say here, on behalf of those of us in the Senate who belong to the Conservative party, that we shall do everything we can to assist the government in finding solutions for its problems. We shall not indulge in carping criticism of government action in dealing with those problems. We realize that the world is in a terrific turmoil. As has been said hundreds of times in this house and in another place, the world today is divided between two ideologies. The Atlantic Pact is a great help to us, but we have tremendous burdens and responsibilities. We are now an important nation in world affairs, and there rests upon us the duty of doing our utmost to protect our own people and our wealth of resources. We owe it to the United States to hold up our end. That country is doing a magnificent job, no matter what anybody may say to the contrary, and it will do even better if it knows that we are doing our best to help out.

Honourable senators, if we want to get the world back on its feet we have got to do our share of the necessary work towards that end. Think of the misery and destruction caused by World War I. We used to feel that nothing could be worse than what happened back in those days; then we came to World War II. A young man said to me: "I dropped six tons of bombs on Cologne five times. I was four miles up in the air when I said 'Bombs away!' I suppose a hundred persons lost their lives because those two simple words were spoken". Surely, honourable senators, we do not want that kind of thing to continue.

Let us forget our politics. When we think the government has done something good, let us commend it; and when we think it has acted wrongly, let us say so, in firm but friendly terms, and point out what we think