

than one varying from time to time, sometimes in our favour, when circumstances warranted, and sometimes against us, when it should be.

Hon. Mr. HAIG: May I ask the honourable senator a question?

Hon. Mr. ROEBUCK: Yes.

Hon. Mr. HAIG: What was the drop in United States currency held by Canada between January 1 and July 1, 1946?

Hon. Mr. ROEBUCK: I have not that figure.

Hon. Mr. HAIG: I suggest that it was very small when the 10 per cent exchange was in effect.

Hon. Mr. ROEBUCK: The 10 per cent exchange had some effect, of course, but I think the Minister of Finance is right in saying that it would not apply a sufficient corrective at the present time. As to whether it would or not, your guess is as good as mine.

Hon. Mr. HAIG: It did in the period I mentioned.

Hon. Mr. ROEBUCK: But that period has passed, and we are now in a different one.

Hon. Mr. HAIG: No.

Hon. Mr. ROEBUCK: I am not able to give the honourable gentleman the figure for which he asks. He probably has it, and may reply to what I have said.

I was referring to the approach of the Conservative party to this matter. I submit it is as unrealistic as some of the things that the government has done.

The C.C.F. of course just loves this control. It wants still more controls—I suppose on the old principle of cure by the hair of the dog that bit you.

The government has chosen an entirely different course, and that is what we are here to consider. It has chosen the expedient of bullying trade, in the hope of coercing it into a favourable balance and thus raising again the true value of the Canadian dollar, and so escaping the exchange losses. By a sweeping enactment of prohibitions and limitations of imports, and the imposition of excise taxes, we have built a wall across the southern boundary of this country and have fenced ourselves off from our most essential customer. There is good reason to expect that the policy will succeed in restoring a favourable balance of Canadian trade with the United States, but the question is whether the cure is not worse than the disease.

Let us not underestimate the destructive effects of what we are doing. How deadly are these restrictions I do not know, but I do know that such strangulation of the national economy is exceedingly serious. Land values in Canada have been mounting and the combined tax burden of all our governments is grievously heavy. The question is whether industry can continue to carry the load when manacled with such prohibitions and restrictions. I leave the question, because only the future can give us the answer. But let us not close our minds to the dangers which lie in excessive burdens placed upon business, to the point where profits disappear and stagnation results.

The problem is, what to do in the face of the picture I have endeavoured to paint. I sympathize with those in authority, who are called upon to deal with such problems. I give credit to them for their attitude, but that does not relieve my honourable friends or myself of the responsibility of using our own minds, and perhaps helping to mould our future policy.

It is obvious that in the matter of a national policy we are at a turning of the ways. We must either retrace our steps in the matter of government interference or else go on to a completely controlled economy. There is no half-way house of refuge. We cannot remain half bond and half free; one control always makes necessary another.

Honourable senators will remember how, in the face of a situation brought about, I submit, by controls, we established further controls prohibiting the importation of many articles and limiting the importation of others, and how there immediately followed the necessity of re-establishing price control. Now one finds many in our community demanding further interference with the liberty of the subject and with the exercise of his civil rights.

The question is what to do about it? I shall make suggestions; not with authority, but worth while as suggestions.

First, I would remove these unwelcome prohibitions, limitations and excise impositions, as rapidly as possible. I do not attempt to define how rapidly that may be; only those who are doing the job can judge of that. I say to the people of Canada and to the government: Get out of these restrictions as rapidly as possible.

Second, I would take the government out of all competitive businesses with the greatest possible despatch.

Third, I would abolish the Foreign Exchange Control Board, root and branch, and leave