

Joseph Howe, who has been quoted by some honourable members in this house, asserted that a high tariff makes smugglers. A control of this nature will not have a salutary effect on the trade and actions of the people of the Maritimes. However we are told that as wartime legislation it worked well. I submit that anything will work under the proper pressure, and today under conditions of scarcity of material and abundance of money it should not be difficult to control balances between countries. The fact that control worked well during wartime does not mean that it is practical in peacetime. We do things in wartime that we would hesitate to do under conditions of peace. We were told that for a time we must put our liberties on the shelf and that when the war was over—subject to the one condition that we must have victory—we would again enjoy the freedom that we as citizens of this great country value so highly. Now the war is over, and we look forward to the fulfilment of that promise and the return to the freedom of democratic institutions.

I am not an expert in the matter of finance, but I find—as was stated by the financial critic for the opposition in the other house—the experts do not agree. Therein lies the safety of the nation, because when the experts disagree it becomes the duty of men of common sense to bring about the results that we desire. I do not think that my convictions could prevail without the support of others—I may be wrong in that—but I look for a practical way to move forward to the things I want. I must look around and find the truth. As reported in *Hansard*, the financial critic of the other house said yesterday that there must be a limit to the measure of control in this country. He wanted to limit it to one year; the C.C.F. party was all out in favour of this legislation.

Hon. Mr. CRERAR: Hear, hear.

Hon. Mr. KINLEY: The measure which is proposed came to us and we referred its subject-matter to the Banking and Commerce Committee. There we heard our best expert, Mr. Graham Towers, Governor of the Bank of Canada, who told us this control was needed in the interest of the country. Gentlemen, I heard the discussions before that committee and I listened to the speech by my honourable friend from Toronto-Trinity this afternoon. Even his amendment has a tail to it. He moves in this language:

That the bill be not now read a second time, but that it be deferred for consideration to the next session of parliament, and that pending such consideration, parliament extend to the Governor in Council the authority to continue the existing powers, control and regulations of the Foreign Exchange Control Board

Hon. Mr. KINLEY.

It seems to me, gentlemen, that the situation has developed to the point where it is a matter of mechanics. What is the best way to get the results we desire?

My opinion is that we should get clear of government by order in council. I think that practice was sensible during wartime, because the administration had to act quickly, and to create and destroy. The lawyers tell us that we should be governed by the rule of law—not by order in council—and that the rule of law should be contained in the statutes of the country. For that reason, if this law is necessary I am prepared to take my responsibility in helping to put it on the statute books.

The discussion in committee revealed the fact that the government was willing to surrender many of the provisions of the bill and to do many of the things we advocated if we gave it second reading. The government is willing to consent to the removal of the provision whereby a man in this country who wants to send \$100 to another country, or to have \$100 in American funds, must go to his bank and get a permit in order to do so. While we might need control of exchange for the real business of the country, it seems to me that these petty interferences with the liberties of the common people might very well be done away with.

On the question of fair value I pointed out to Mr. Towers that under this bill one could not export or import without a permit, and that a permit could be withheld if the price was not considered fair or if you gave credit for more than six months. I also pointed out that the fundamentals of any deal were price and the time of payment; and that in the last analysis the two men who made a bargain would have nothing to do with the deal, because they did not control the price. The government agreed to do something about that provision.

The Dominion of Newfoundland, in which we in Nova Scotia are greatly interested, is considered a part of Canada for currency purposes. This, I think, is a good provision, for it will permit a free flow of money between that dominion and this country.

Then as to the question of a time limit: if the people responsible for this bill are in earnest I would say that one year is plenty to enable them to decide whether or not a permanent measure is necessary. I will support the bill on condition that we give the government one year to make up its mind whether it is going to ask for control, and whether this legislation will cease after the first session of the parliament of 1948.

Mr. Towers told us what he intends to do by regulations. Well, he is an official and he may not be here next year. But in any event