

*Foreign Exchange Control*

May I say at the outset that no one regrets more than I do or more than the government does the necessity of having to continue foreign exchange control. My hon. friend has said that now the war is over we should be able at once to dispense with all these devices. Well, it is true that the fighting has ceased, but if any man looks around the world to-day and says that economic war has ceased, or that we are in a stable, ordered condition, I say that is a serious reflection upon his intelligence. I say that as far as economic conditions are concerned we are just as much in need of protection for our foreign exchange resources as at any time during the war.

The hon. gentleman has said that this is an attempt to shackle trade, and what we should do is assist trade. I turn that around and say the sole purpose of this measure is to see that we shall have adequate foreign exchange resources to assist trade, and not shackle it. Let me assure this committee that as a member of the government nothing would please me more than to be able to get rid of control and be able to operate under the old law of supply and demand; but if anyone will tell me that with conditions as they exist to-day any country would be able to carry on under those conditions, all I can say is that the person making that suggestion is not aware of modern economic conditions.

My hon. friend speaks of preserving good relations with the United States. No one is more anxious than I that this be done; as a matter of fact my grandfather came from the United States. But surely we must face the situation as it is. We have to deal with the matter of exports to and imports from the United States; and to-day our imports from that country are at an all-time high. This is not an attempt to restrict trade between the two countries; it is just the reverse. This is a measure intended to assist trade.

My hon. friend asked why we were taking these measures to separate the two countries. Well, the answer is simple: we are a separate country, with a separate currency. If we were part of the United States, of course we would not be faced with all these difficulties; we would all have the same currency. But on balance we are a debtor nation, and to a very considerable extent. If we are to retain our national integrity and the integrity of our dollar, we have to adopt appropriate measures to see that our exchange position is protected. That is the purpose of this measure. It worked effectively during the war, and has worked effectively since the war.

My hon. friend made a moving plea for importers and exporters, but I think if he took a poll of importers and exporters in this

[Mr. Abbott.]

country he would find them pretty well satisfied with the way in which exchange control operated during the war. I think a little more attention should be paid, as I hope it will be paid, to some remarks made last evening by the hon. member for Charlotte, as to his experiences and the experiences of his neighbours and friends in connection with exchange under abnormal conditions, where one man was quoted one rate and another man another. Whatever may be the defects of the present system, and it may have some, at least everyone knows the situation with respect to foreign exchange, and everyone is quoted the same rate.

The last point my hon. friend made was that this is part of the C.C.F. platform. It is no such thing. Exchange control is in effect to-day in every modern country in the world with the exception of the United States. The reason it is not in force there is that the economic position of the United States is so strong and its holdings of gold are so high that the United States dollar is the strongest currency in the world, and everyone wants it. But everyone does not want Canadian dollars.

I repeat that the whole purpose of the measure is to provide for the efficient handling and conservation of our essential foreign exchange resources.

Mr. CHURCH: I wish to refer to section 32, and I do this because I come from a commercial city. I am very much surprised that a bill like this has been brought up in the dying days of the session. I feel a great deal of sympathy for the acting minister who has been placed in a position where he has to practically apologize to the house. He has performed a brilliant service during this session of parliament. He comes from a commercial area, the city of Montreal, as does the hon. member for Muskoka-Ontario. We are now in the ninety-ninth day of this session and here we have a bill that has never been before the banking and commerce committee.

Mr. ABBOTT: It was there for weeks.

Mr. CHURCH: It was in some respects. Who are the men who proposed this bill? Has the Department of Justice seen it?

The CHAIRMAN: I would ask the hon. member to relate his remarks strictly to section 32 and not speak generally on the bill. I think the committee would now like to have the bill discussed section by section.

Mr. CHURCH: I was about to make some remarks on section 32. Under this section every citizen of Toronto is likely to be dragged into the police court where a lay magistrate