

that ever going to be met? And remember, a great many of the countries of the world—Iran and others, have decided that they want to be independent. How are we going to meet that deficiency in those countries?

Mr. LEIGH: Senator Haig, I think I can explain the first point fairly easily. It is whether you can meet it by a multilateral scheme. I think you could. In other words, this is not designed to be a bilateral scheme. Canada would get credits as usual in the country where she sold, and then go into the international clearing and exchange the credit with that country for credits in the United States. You may say that does not put the United States in balance. Of course, it does not, but the United States must put itself in balance by taking imports from somebody, not necessarily Canada, and if she does not take her payments in the form of imports she cannot be paid under any circumstances or under any system.

Hon. Mr. HAIG: How are you going to make the American people believe that?

Mr. LEIGH: Well, I do not honestly think, if I may venture to say so, that they will do other than they are doing at present, namely, have an excess of exports, because there are only two other courses open to them, as I see it. An excess of exports is a method of getting rid of their unemployment. The United States by their method has been extremely prosperous for the last 14 years, because any manufacturer who over-produced anything could always export it and get paid by the United States taxpayer. Instead of saying, "Jones, we cannot consume your product in this country, and therefore you are out of a job, and the American taxpayer must pay you to do some public work at home"—you say to Jones, "Go on producing your product; we will export it, and nothing shall come back, and the American taxpayer will pay you your wages." Well, that is far cheaper than the other way. I have heard it estimated when President Roosevelt was in office, about 80 per cent of the money voted by the taxpayer went to organize the work of the unemployed, and only 20% in wages to the unemployed. If you leave the man at his ordinary job, his employer will continue to organize his work, and this is the much cheaper way for the taxpayer.

The second point is this: If you do in fact take him out of his usual employment and find something for him to do—even something quite useful—he knows that work is being created as an excuse or as a reason for giving him a job, and he feels himself to be an unwanted member of society; he is out of his union, and he has no security and he is doing something which normally would not be done; he feels that people are saying of him, "I am keeping that man out of the taxes I pay." I suggest that is a way to embitter a man and make him ready to listen to the agitator. On the other hand, if he is left in his regular job he feels he is a useful member of society. On the whole, I believe the United States will in fact prefer public works abroad to public works at home.

I may be asked, if there is any other course they could pursue? They could export to the world only enough to pay for necessary imports, and increase the effective demand in the U.S.A. of those with the lowest standard of living by more extensive social services. They would then have to reduce the productive capacity of those industries which now export heavily—such as engineering, which I think exports 20 per cent of its output. The labour thus released from the export industries would be diverted to satisfy this new demand. I suggest that is one of those things that can only be done gradually over a period of years, if you do not want to have very serious social troubles in your country.

Hon. Mr. LAMBERT: I wonder if the witness could tell us the value of British exports to the United States per year?