

Supply—Finance

protest on principle and is an indication that we feel there should be a move made toward freedom and in the direction indicated by the previous speaker. We are not overlooking our obligations under Bretton Woods or any other agreement, but we do protest against the inflexible principle of managed currency which unfortunately seems to be a permanent policy. It is on that basis that I am prepared to vote for the amendment.

I do not want to repeat what I said the other day, but I think we should remind ourselves that there is a growing movement toward what might be called the dictatorship of currency. By that I mean that a few men are allowed to fix the value of our currency, and that demands either infallibility or absolute freedom from political pressure. I say nothing about infallibility, but I should like to comment upon the freedom from political pressure. We need only to see what goes on in the United States and England to realize how impossible it is to have freedom from political pressure under the conditions that exist now.

Mr. Bater: What does the hon. member for York West mean by raw money?

Mr. Adamson: Raw money is a technical term used by the Bank of Canada to indicate the total currency and the active bank deposits. Active deposits are shown for April, 1950, as \$4,483 million, inactive deposits as \$3,875 million, and government of Canada securities as \$9,707 million, making a total of \$18,107 million at the end of April, 1950. The raw money supply really means the active money supply on hand.

Amendment negated on division.

Mr. Macdonnell (Greenwood): I should like to ask one or two questions on this item. This item deals with administrative costs other than those provided by the Bank of Canada. May we have the additional operating costs and will the minister tell us what he considers to be the total cost of carrying on this board?

Mr. Abbott: As my hon. friend will recall, having read the report of the foreign exchange control board, the expenditures made by the Bank of Canada for staff, premises, office space, equipment, travelling expenses, on behalf of the board amounted to \$1,175,194. In addition to that there are items, corresponding to the one we are voting here and which are outlined in the report, of \$212,885 and which I take it I do not need to read.

Mr. Macdonnell (Greenwood): It would seem to me, without wanting to press the

[Mr. Macdonnell (Greenwood).]

point, that the natural way to deal with it would be to show the total cost here.

Mr. Abbott: If my hon. friend looks at the Foreign Exchange Control Act he will see there is a statutory provision for the Bank of Canada performing these foreign exchange control services. This item is put in here in order that there may be a debate each year on the operations of the board.

Mr. Macdonnell (Greenwood): Perhaps the minister has it in mind to do it, but I am anxious to have him make some statement as to the attitude of his department toward the whole question of exchange control. I would draw to his attention that there are indications in France that they are seriously considering doing away with foreign exchange control. I ask the minister if he regards that as significant and whether he cannot make some general statement?

Mr. Abbott: My hon. friend has raised a very important question of government policy and I do not propose, nor do I feel it would be proper, to give any indication as to what future government policy may be, except to say what I have said on a number of occasions, including the time when the Foreign Exchange Control Act was before the house, that no one will be happier than I when it is possible to eliminate foreign exchange control. But as to when that may be or under what circumstances it will occur I am not prepared to indicate by engaging in any hypothetical discussion today. I do not feel that it would be proper for me to do so.

Mr. Macdonnell (Greenwood): I am sure the minister will not be surprised at my saying that that is thoroughly unsatisfactory. After all there are people who are in just as important positions as the Minister of Finance who are making statements and I think it is highly undesirable that we in this country should be left without any indication. I hope the minister will not regard it as being discourteous, because it is not intended that way, when I say that this appears to be another of those cases, perhaps with more excuse than in others, where we are being treated like a lot of children.

Mr. Abbott: I am sorry I cannot accommodate my hon. friend. I have never considered that I was gifted as a prophet.

Mr. Macdonnell (Greenwood): I am not asking the minister to be a prophet, I am simply asking him to indicate if there are any general principles on which they are moving. The minister says that he will be glad when this is over, but it is not going to come to an end unless people like the minister move