to April, 1950, the increase in the cost of living was from 158·4 to 161·6 per cent, going up at an accelerated speed.

Let us take wholesale prices, again taking 1939 as 100. Wholesale prices at the end of 1949 had increased by 108·2 per cent and to April, 1950, by 112·3 per cent. That again is a rapidly increasing inflationary spiral, making the ratio, at the end of 1949, 208·2 per cent and to April, 1950, 212·3 per cent. The annual figure of wages for labour, on the basis of 1939 as 100, was an increase of 105·1 per cent or a ratio of 205·1 per cent. That is a new figure that has just been released from the Department of Labour.

Now let us take the raw money supply. In 1939 the raw money supply was $1,370 million. At the end of 1949 it was $4,422 million; and in April, 1950, it was $4,483 million, or an increase on the percentage basis during the war decade of 223·5 per cent, and up to April of this year, of 227·2 per cent; or on a ratio basis, 323·5 and 327·2. An even greater acceleration.

It will thus be seen that the money supply has increased at a rate double that of the cost of living, 100 per cent more than wholesale prices and a little over 100 per cent more than the annual wage rate for labour.

Mr. Fournier (Hull): And everyone is satisfied.

Mr. Adamson: That is the horrible danger. With permission, Mr. Chairman, I should like to place on *Hansard* that short table, because I think it shows what is happening to our economy under the present system of managed currency.

The Deputy Chairman: Has the hon. member leave to put this table on *Hansard?*

Some hon. Members: Agreed.

Mr. Adamson: The table is as follows:

Statement showing increases in cost of living, etc. —1939-1949; April, 1950

	1939	1949	April, 1950
Cost of living		per cent	per cent
	100	58·4	61·6
Ratio		158·4	161·6
		per cent	per cent
Wholesale prices	100	108·2	112·3
Ratio		208·2	212·3
		per cent	per cent
Labour (annual)	100	105·1	
Ratio		205·1	
	Millions	Millions	Millions
Raw money supply	1,370	4,422	4,483
		per cent	per cent
		223·5	227·2
Ratio		323·5	327·2

These figures are for the 10-year period from the beginning of the war till 1949. (The war decade.)

[Mr. Adamson.]

I am mentioning this, Mr. Chairman, and the whole question of exchange and monetary control because I believe that it is going to cause to the very people who are now pushing for it more grief than anything else we can think of. I believe there is nothing more sinister to the hourly worker or the wage earner than a continuous inflation of the currency which is known as the debauching of the currency.

The safeguard against the destruction of the purchasing power of the dollar is of course a return to the gold standard. I am not going into the question of a free market first at the present time; but until control of purchasing power is placed back in the hands of the people, the urge for continuous inflation is going to be difficult or impossible to overcome. This is true of every freely-elected democracy. The gold standard makes the determination of money's purchasing power independent of the changing ambitions and doctrines of political parties and pressure groups. This is the security of the gold standard and its main excellence. The hatred of the gold standard is inspired by governments who imagine that they can create wealth out of little scraps of paper.

What the expansionists call the defects of the gold standard are in fact its pre-eminent usefulness. It checks large-scale inflationary ventures on the part of governments. The gold standard did not fail. Governments were eager to destroy it because they were committed to credit expansion as a means of lowering the rate of interest and of improving the balance of trade.

No government—even the American or the Russian government—is powerful enough to abolish the gold standard. Gold is still the vehicle of international trade. As long as the country is not economically self-sufficient, it must meet that deficiency in gold. We cannot isolate ourselves against it.

In this connection I should like to read a quotation. At this juncture may I say that with all the criticism I feel is due to the government for the financial situation, Canada has as yet not resorted to the expansionist and inflationary measures employed by the United States. That is just another reason, and possibly one of the main ones, why the abolition of exchange control would react in our favour. Public men from one end of the United States to the other have criticized the growing inflation in that country. I just want to quote one Mr. Lawrence, who says this of the United States government:

The failure to return to a gold standard, the persistence of budgetary deficits, the flagrant disposition of government to corrupt large voting groups with