

not improve their condition until they produce and sell more and thereby restore a normal balance of trade. In the meantime, Canada has reserves of gold and American dollars.

**Hon. J. J. Hayes Doone:** Honourable senators, as I understand it, the point which was made by the senator from Southern New Brunswick (Hon. Mr. McLean) was that although the British Commonwealth produces all the commodities necessary to maintain prosperous trade relations among its member countries, it has not a common currency as a medium of exchange. In the United States the situation is different. The forty-eight separate states can exchange their wide variety of products freely among themselves, for they have a common currency. Now, in Russia, which often comes under discussion in this house, there is a conglomeration of states. But they can deal among themselves, by reason of the fact that they have a currency which can be utilized by them for the purchase and sale of their products.

The British Empire has practically everything it needs in a material way, with the exception of cotton and petroleum. When the Empire lost Egypt, it lost cotton; but if Alberta comes through with petroleum, we will have practically all the elements of commerce necessary to world trade. We have wheat, coarse grains, livestock, dairy products, precious metals, base metals, vegetable oils, wool, chemicals, beverages, coal, sugar, rice, rubber, fish, fruit, furs and lumber. The list includes practically everything that man desires for use in a commercial way. The difficulty is, however, that the Empire has no common currency. It was, I believe, the suggestion of the honourable senator from Southern New Brunswick (Hon. Mr. McLean) that sterling should be supported in this country and throughout the British Empire.

**Hon. A. K. Hugessen:** Honourable senators, I have been much interested in the discussion which has taken place on this bill; and I think I would be disposed to agree with most of the things that honourable senators have had to say. I should like, however, to direct the attention of the house to the fact that the discussion has gone outside the terms of the bill which we are considering.

The bill before us is a measure respecting currency, the Royal Mint and the Exchange Fund. The discussion which has taken place arises out of Part III of the bill, relating to the Exchange Fund which is kept by the Minister of Finance. Both of my honourable friends from the province of New Brunswick (Hon. Mr. McLean and Hon. Mr. Doone) have suggested that the fund which, as I explained,

consists partly of gold and partly of United States currency, should be enlarged to include amounts of British currency, with the hope of helping to support the British pound.

**Hon. Mr. Doone:** May I make just one observation?

**Hon. Mr. Hugessen:** Certainly.

**Hon. Mr. Doone:** I made my observations in view of the fact that the legislation is permissive, and not mandatory.

**Hon. Mr. Hugessen:** I am trying to point out that the Exchange Fund referred to in the bill is not designed for the purpose suggested by my honourable friends. The sole purpose of the fund, as the bill provides, is to aid in the control and protection of the external value of the Canadian monetary unit; and if we wish to protect the Canadian dollar, we have got to have the resources to protect that unit in the kind of money into which it can be exchanged. The only kinds of money into which it can be readily exchanged at par today are the United States dollar or gold.

My honourable friends said a number of things with which I have great sympathy. I agree that it would be advisable for us to do what we can to help support the British pound. We have I think, already done a good deal in that connection by way of grants; but that is a matter for discussion under the heading of trade policy rather than under this particular bill. I simply point out to my friends that wise as their observations may be, and however sound may be their suggestions as to policy, they do not arise under the bill we are now discussing.

The motion was agreed to, and the bill was read the second time.

#### THIRD READING

**The Hon. the Speaker:** Honourable senators, when shall the bill be read the third time?

**Hon. Mr. Hugessen:** With leave of the Senate, now.

The motion was agreed to, and the bill was read the third time, and passed.

#### BUSINESS OF THE SENATE

##### ON THE MOTION TO ADJOURN

**Hon. Mr. Hugessen:** Honourable senators, I move that when the Senate adjourns today it stand adjourned until tomorrow morning at 11 o'clock.

According to the information now before me, it is possible, though I fear not likely, that the session may come to an end tomorrow evening. However, the outcome