

Mr. MACDONNELL: Wait a minute, please. Let me put it this way. I said that  
The WITNESS: Yes.

Mr. MACDONNELL: Let me put it this way.

Hon. Mr. ABBOTT: You asked Mr. Rasminsky to comment on it.

Mr. MACDONNELL: Wait a minute. I think Mr. Rasminsky bore me out to this extent, in saying that this provision was either common to or a sort of summation of the various Acts of various countries. I do not want to overstate this. Let me put it this way again. If there has been any power left out of this, it is hard for me to believe it. To use my own phrase, this is characteristic of a police state, and I defy anybody to deny that. I suggest therefore to people who believe in freedom and there are many in this room who do—that there is no need of our giving up our freedom; and that is what we are doing here now, for five years.

Then there is just one final point. No one in this room believes—to mention only those who are here this morning that Mr. Rasminsky and those associated with him are going to turn tough and behave like Dr. Schacht or any such nonsense as that. I am not trying to suggest any such nonsense. But what I am going to suggest is that when free people hand over powers, they ought to do it jealously. In my opinion, there is no earthly need to do that for five years.

Hon. Mr. ABBOTT: We are not doing it for five years. It may be repealed next session if parliament wants it repealed. That is the point that should be emphasized. I cannot but take exception to that statement that it has the characteristics of a police state. I have no personal experience with the operations of a police state, but I do not consider that the powers which are asked for in this bill are in any essential respect different from a great many powers which the government has exercised for years in the interest of its citizens.

Some Hon. MEMBERS: Hear, hear.

The CHAIRMAN: On this point of the principle of gradualism, I only want to take a moment. I feel just as strongly—

Hon. Mr. ABBOTT: Mr. Chairman, I shall have to leave shortly to go to the House, so would you permit me to say a word here?

The CHAIRMAN: Yes.

Hon. Mr. ABBOTT: On that point that the Washington agreement required that they relax exchange control, here is a statement by the Chancellor of the Exchequer on 12th December, 1945:—

In the Washington Agreements, references to exchange control are, generally, to exchange control of current transactions. In the Bretton Woods Agreements, exchange control of capital movements, as distinct from current transactions, is not only permitted but positively enjoined on all members—which is a very remarkable and interesting fact. In the view of His Majesty's Government this is an admirable provision, and we intend to live up to it.

The CHAIRMAN: Gentlemen, it is now 5 minutes to 11—

Mr. MACDONNELL: I would move as an amendment that it should be reduced to one year, in order to bring the matter to an issue.

The CHAIRMAN: In view of the time, it being 5 minutes to 11, I shall restrain myself from commenting on the principle of gradualism other than to say this, that I believe gradualism can come much more quickly when it comes as a result of exchange control board regulations which, if they go a little too much in advance of current events, can be modified immediately.

Shall section 11 carry?