

Currency, Mint and Exchange Fund Act

not think they could even point to how closely we were tied to the United States system or to any other system, or to what the relationship of these systems is from day to day. Social Credit have had a field day because of the fact that no one in the country seems to know what is going on. The situation is completely confused.

An hon. Member: You don't know either.

Mr. Peters: I make no apologies; I am in exactly the same category. I do not know anything about it either, and do not profess to. But there is a relationship between the two monetized metals, gold and silver; and because of the Bretton Woods agreement both gold and the U.S. dollar are the backing of the currency of the international monetary fund. Silver used to be, as well, because the U.S. currency reintroduced in 1933 silver certificates backed by silver stocks.

I make no apology for my interest in this matter because I represent a major portion of the silver producing industry in Canada, and the producers of some of the other base metals. The people in these operations are interested in this question. If you look, Mr. Speaker, at the Baxter international research bureau report for September 27 of this year you will note that it refers to the fact that the U.S. government has increased the price of silver against their reserves from 91 cents to \$1.29. They pointed out that since the beginning of May there has been an outflow of 69 million ounces of silver. Of this amount, 24 million ounces came from the cartwheels—I presume that is silver dollars—and 45 million ounces came from the monetized silver bullion account. Another report, made in October, points out that silver output falls far short of use but that treasury sales should fill the gap. Global use of silver this year is estimated at 380 million ounces, which is about 170 million ounces more than new production. Our government will draw on its own stocks for about 95 million ounces needed for coinage and defence work. Most of the remaining deficit, the report goes on, will be made up by sales of speculative holdings, a reduction of consumer inventories and demonetization of coins abroad.

This is an indication of what is happening, though many people in Canada and, even, a number of those in government, have failed to establish any relationship in this field. If this government wishes to make a contribution to the international monetary fund I believe it is time we should add the word "silver" wherever the word "gold" appears in the bill. It should be remembered that we produce this metal, and its production should not be related to requirements of another currency but rather to the productivity of

[Mr. Peters.]

our own nation and the value of the metal in establishing our Canadian dollar. There is a relationship between these things, and it is one which could be established more closely if we had a government which was prepared to make full use of our own natural resources. I strongly urge that Canada, along with many of the other nations of the world, should establish its own relationship with the currencies of the world and take steps to do this in the manner which would be most advantageous to Canada.

For a government which has said on a number of occasions that it wishes to cut loose some of the strings which binds us in an economic way with the United States, there would be no better way of achieving this end than by cutting some of these monetary strings in relation to our currency. We have been buying some of our currency from our neighbour to the south at a price which they themselves determine—a price which has no relation to the forces of supply and demand in this nation. I suggest that the parliamentary secretary should give some consideration to establishing Canadian independence in this field. The Minister of Finance has himself declared that this is his intention. He wrote a book called "The Economic Future of Canada" telling us that this is what we needed to do. We in the mining industry can certainly find no better place to start than with the monetized metals which we use as the basis of our internal economy.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Lamoureux in the chair.

On clause 1—*Sale of gold, currency, etc.*

[*Translation.*]

Mr. Caouette: Mr. Chairman, I would like to say only a few words on section 1 of the bill which is before us. I wish to point out that Bill No. C-106 is a direct outcome of the agreements which were signed in 1947-1948 at Bretton Woods, while in this house we were warning the government against this attempt on the part of high finance to get hold of an international money control of some sort.

Now we are asked, under the provisions of this bill, to endorse the setting-up of a \$200,000,000 fund, together with other countries on the pretence that we will assist countries which could need it.

We must remember that, last year, the government had to resort to the international monetary fund to secure an amount of over a billion dollars in order to discharge their obligations and their dues to the United States.