

Hon. Mr. McGEER: There may be a good many people who want that.

Hon. Mr. ROEBUCK: My friend should withdraw the statement that the cities are bankrupt. I contend that the city of Toronto is not bankrupt. No city in Canada is bankrupt while land values remain untaxed. I think my friend should delete the word "bankrupt".

Hon. Mr. McGEER: Probably you are right.

Hon. Mr. VIEN: I rise to a point of order. Under the rules of the Senate, on second reading we discuss the principle of a bill; then we refer it to committee, where it is taken up section by section. I admit that in discussing the principle of a bill some indirect reference to the details of the measure is almost necessary. I do think, however, that the discussion for the last few minutes is clearly out of order, and that the constant references to sections of the bill are also out of order.

The Hon. the SPEAKER: As honourable senators know, this house is very liberal in its application of the rules. Senators are men of experience in the matter of rules of procedure, and guard themselves accordingly against transgression.

I would ask the honourable senator, who is well versed in parliamentary practice, to confine his remarks to the principle of the bill and his reasons for supporting the motion for delay, and to refrain from discussing the various sections of the bill, a practice which makes for continuous debate on subjects which are not relevant on the motion for second reading.

Hon. Mr. McGEER: I quite agree with my honourable friend from Toronto-Trinity (Hon. Mr. Roebuck) that my statement regarding the cities was probably inappropriate at the moment.

Hon. Mr. ROEBUCK: I objected to only one word.

Hon. Mr. McGEER: I do say that I know the need for the things I have spoken of, and I think they are worthy of our attention.

What we are discussing now is the question of whether we should have control of foreign exchange, whether we should give the exercise of control to a board, and what amendments would justify us in giving this measure second reading. As I have said, we are not passing legislation to get away from orders in council. There is no justification for voting for the bill on that ground. We are voting for administration by rule and regulation, and for adminis-

tration by a board, with the approval of the Governor in Council. I suggest that it would be better to stick with the principle of approval by the Governor in Council, provided we are to amend the sections accordingly.

Hon. Mr. DUFFUS: We have agreed to that, generally speaking.

Hon. Mr. McGEER: Then I hope it will be attended to.

A good deal has been said about the Bretton Woods Agreement. I should like to draw the attention of honourable senators to section 1 of article IV of this agreement, which reads as follows:

The par value of the currency of each member shall be expressed in terms of gold as a common denominator or in terms of the United States dollar of the weight and fineness in effect on July 1, 1944.

Then I would refer honourable senators to the qualification contained in section 6, which says:

If a member changes the par value of its currency despite the objection of the fund, in cases where the fund is entitled to object, the member shall be ineligible to use the resources of the fund unless the fund otherwise determines; and if, after the expiration of a reasonable period, the difference between the member and the fund continues, the matter shall be subject to the provisions of Article XV, Section 2 (b).

Article XV provides the penalty.

What all this really means is that Canada is now dealing with the United States—also a member of the fund—with a guarantee of protection from the fund itself. One must recognize that we have today in the provisions of the Bretton Woods Agreement a security that we never had before. Add to that the expanding trade possibilities between Canada and the United States, and further add the huge reserve of \$1,500,000,000. Then let me ask any honourable senator: Where on the horizon is there anything to indicate that within the next two years, or within any reasonable time, we are going to be short of U.S. dollars, U.S. investments, or gold reserves? How could we be short?

Hon. Mr. DUFFUS: The general condition of the world today would indicate anything, and that controls that we employed during the war to the great advantage of this country may go on again.

Hon. Mr. McGEER: Even before the war there was the most complete co-operation between the United States, Canada and Great Britain. I believe that long before Pearl Harbour we were able to secure co-operation of the United States and all the financial powers the government of that country could extend to us. I believe that after the attack