

*Currency, Mint and Exchange Fund Act*

The international bodies set up at the Bretton Woods conference in July 1944, the international monetary fund, as well as the reconstruction and development bank, put the American dollar in a privileged position. They even established the superiority of the American dollar.

Lately, one of the most famous economists of our times, Mr. François Perroux, came to Montreal where he stated that there was no intrinsic reason for granting superiority or priority to the American dollar.

Now, it is asked: what are, for example, those securities of the international monetary fund that Canada wants to purchase; what are the backing and the nature of those securities?

On the other hand, we should keep in mind that it is always the Canadian dollar which must be used to buy Canadian services and products. It is not an international currency which will enable us to buy services and products made by Canadians.

At the present time, gold is still used as a standard for the international currency, but we can read in the Canada Year Book for 1962, on page 1027:

—Gold may be bought or sold internationally without any physical movements of the metal, such transactions being recognized by simply putting aside or "ear-making" the metal in the vaults of some central bank.

If really there is no physical movement of gold from one country to the other, what is the good of having a gold standard to regulate these international currencies?

The last thing I wish to point out is that the international monetary unit would give to foreigners a control power over the life of Canadians, and this constitutes a very serious danger at the present time.

Those are, Mr. Speaker, the few remarks I wanted to make so that our country does not embark wholeheartedly in that project which, in my opinion, constitutes a real danger for our monetary system.

[Text]

**Mr. Arnold Peters (Timiskaming):** Mr. Speaker, I do not want to go very deeply into this field but I think Canada at least has an obligation to establish some independence from the United States in the manner in which we make our contributions throughout the world. It is quite true, as the parliamentary secretary said, that the international monetary fund set up after the signing of the Bretton Woods agreement indicated that a currency handled by the international monetary fund would be in terms of U.S. dollars, or gold. This raises the problem as far as Canada is concerned of the relationship between our monetized metals

and those of the United States. I think this matter has not been given any consideration by this government or by the previous one, or by any Canadian government, for a long time.

It has been said in this debate that the countries supporting the international monetary fund, which have grown from the original 44 to well over 70 at the present time, have become more and more dependant in their international trade relationships on gold and the U.S. dollar. I think this is not always necessarily a good thing. We in Canada have backing for the currency of the United States both in gold to back our dollar in a treasury sense and also for silver bullion which would establish Canada in relation to the United States silver certificates. I think it is unfortunate that Canada has not gone to the international monetary fund meeting echoing, not the fears of some other countries in their relationship to the United States currency, but trying to strengthen not only our own position but also that of the United States at the present time.

We are all aware of the fact that the world is terrified of the large production of gold by countries in the communist bloc. I remember an article in *Reader's Digest* to the effect that it would be a catastrophe to world trade if Russia suddenly failed to put her money into the currency field through international trade under terms similar to those engaged in by countries like the United States and other members of the international fund, but instead gave away to satellite countries, and any other countries who wished it, the vast quantities of gold they have. Overnight there would be a collapse of the market.

I think something is to be said for those who recommend that Canada looks at this matter from her own position; not from the position of the United States or individual countries, some of which are in the sterling area, some on the gold standard, and some operating entirely on a trade-barter system, but from the point of view from which Canadians and Canada in general can gain the most. I suggest we should be opposed to the establishment by the international monetary fund of an international currency. I believe this is a necessity. I think history will bear out that two of the factors which will form a base for an international monetary system, and the currency which may be contemplated by the international monetary fund, will be gold and silver monetized reserves.

We are aware of the fact that Canada has not been on the gold standard for some time. I do not think anyone in this country will be able to tell us what kind of standard we are on. I am sure no one in banking circles would be able to tell you, and I do