

The CHAIRMAN: They have told us one commodity that the United States does not wish to keep out—gold.

Hon. Mr. HAIG: But they want to take it at a fixed price.

The CHAIRMAN: No; the Monetary Fund fixes the price.

Hon. Mr. HAIG: It is really the United States that does it. Snider, the Treasurer, told the Monetary Fund what it could do.

The CHAIRMAN: Has the United States a majority of directors on the Monetary Fund?

Mr. BIRKS: I think they have a majority of the money in the fund—that is what shouts.

The CHAIRMAN: Have they more money than the rest of the countries put together? We are committed for \$300 million.

Mr. BIRKS: I think they have.

Mr. WANSBROUGH: No doubt they have a dominating voice.

Hon. Mr. HAIG: Mr. Chairman, the sooner we in Canada realize that the United States is today the greatest nation in the world from our point of view, the better off we will be. The next problem is how to influence them to realize their world responsibility. I am one of those who believes that Russia is playing a shrewd game: She is going to try to wreck us by breaking us.

You gentlemen tell us any suggestions you have for a solution of the problem. Gold is one. Has anybody else any idea?

The CHAIRMAN: I should like to raise another point with Mr. Birks. I notice that Mr. Snider of the United States has warned the Fund many times about Communists. No notice was taken of his warnings until it was proven that the secretary, one of the highest officials in the fund, was a Communist. It was only after several warnings from Mr. Snider that any attention was paid to it, and he was thrown out. But he had an influential office in the Fund, and he would not do anything to help the free world in the matter of gold. Since that time several officials have been discharged.

Mr. BIRKS: That is why I said I am not afraid of Russia, because I believe we could drive her out into the open by having a free gold market.

The CHAIRMAN: They are trying to strengthen the ruble by getting all the gold in Russia behind it, and keeping the support of the satellite countries. As an ex-banker I can see the picture plainly.

Hon. Mr. KINLEY: Mr. Chairman, in our consideration of this problem we should keep in mind that we are talking from the top of the heap. We have the best export trade in the world, and our money is worth more than that of any other country. We are in an envious position.

The CHAIRMAN: Our money is only at a half of one per cent today.

Hon. Mr. KINLEY: The United States will look to us for a remedy, because they regard us as the people who have the bag.

Hon. Mr. HORNER: They would do considerably better if the positions were reversed and our money was worth less than that of the United States. We are tied up with them in the sale of our wheat from Western Canada and are paid in American funds; the gold producers are paid by American money; and unfortunately all we can take from the situation today is pride in our position, but we are losing money.

Hon. Mr. KINLEY: Do less trading, and you will make more.

The CHAIRMAN: A great many companies now pay their dividends in American funds and we have to pay 15 per cent on them.

Hon. Mr. HAIG: American money is coming up these days, while ours is going down. The matter depends on the investment of American capital in Canada.