

tension which at times induces discouragement. Today, it is the atomic bomb, and tomorrow it may be the hydrogen bomb, which is a hundred times more devastating. That is said to be progress. Yes, but it is progress towards self-destruction. Can it be true that genius borders upon madness?

But progress is reconcilable with a world in which life would be better, in which men could love one another rather than live in an atmosphere of anxiety and hate, trying to destroy one another.

How should the world be organized so that men would behave like reasonable beings instead of imitating the wild beasts of the jungle? A moral economy would first have to be devised. If men work only at producing instruments of warfare aimed at their mutual destruction, it is because there is too much pride in their minds and too much bitterness in their hearts. Let humility, the spirit of mutual help and comprehension, be substituted for pride; let that selfishness that reigns in the hearts of men be replaced by a little love. Thus the world will improve, and then we shall be able to live in peace and happiness.

But is it possible to enjoy happiness in this world? Yes, it certainly is possible, provided one is content with one's lot and does not envy that of others. If ever we rose to a level of perfection and of moral behaviour where men would love one another rather than hate, where all human inventions would serve to ease man's life without rendering him lazy or destroying the result of his labour, we would also have to concern ourselves with organizing a material and a physical economy—a material economy of nations, a physical economy of individuals. A nation's economy is based upon the extent to which it can exchange its goods, and as yet but one means has been devised of furthering that exchange. That means is money.

In the last century the civilized nations of the world agreed to base their currencies on a standard that was accepted by all as nothing but the equivalent of an international currency. Instead of using paper money made to the order of an individual country, debtor nations could then send gold to their creditors, and they in turn could pass it on to other countries and thus circulate it all around the world, if they so desired.

After World War I Germany strove to break that practice which was based on confidence. She gave up the gold standard then accepted by all civilized nations, and issued large quantities of her own paper notes, thereby causing a tremendous inflation of her currency in order to avoid paying her debts. Some of Germany's neighbouring countries which were in competition with her on inter-

national markets also put increased quantities of their own paper money into circulation; others devalued their currencies, or effectively increased the price of gold. As a result we have today what are called nationalized or managed currencies.

A study of the economic history of the world since money was introduced, and the conclusions to be drawn therefrom, would lead us to believe that no material problem of an economic nature can be solved through nationalized currencies.

Hon. Mr. Haig: Hear, hear.

Hon. Mr. Vaillancourt: One country, through her gold reserves, might for a time succeed in dominating the world financially but inevitably a day would come when, despite her accumulated billions, she would die because of the resulting concentration of her currency. She could no longer carry on trade with foreign countries because in her eyes their currencies would be practically worthless. She would then be forced either to make loans and to live on the interest that would be paid on them, or to change her policy. That to my mind, is plain.

But would it not be possible to agree on the establishment of a standard for the currencies of all countries, and thus make exchanges possible through some means other than almost worthless paper? With nationalized currencies what happens? If I sell millions of dollars worth of goods to China and she pays me with Chinese notes, what do I actually get in exchange? Is not the payment a mere illusion on my part? I confess that international currency today presents a problem very difficult of solution, much more difficult than it was some twenty-five or thirty years ago. The reason is quite simple. If a strike develops in a nation's vital industry, there is danger that the entire economy of that nation may be changed, and along with it the very basis of its currency. It is equally dangerous if there is—as often happens—a world monopoly in some commodity. Such a situation may affect any currency, even one that is international.

The fact that the problem is complex and difficult, however, should not prevent us from grappling with it with a view to solving it. Despite the peculiar character of these remarks, may I hope that what I say will be taken seriously and that some action will follow. In our general trade policy certain changes have to be made. Our customers of yesterday are leaving us, and we must look for new ones. To attract prospective customers we need skillful planning and people well adapted to the countries in which they are going to work. A few days ago I was talking to a group of Canadian businessmen who had been in South America a few months