

Gold Mining

by British banks and insurance companies in the nineteenth century and in the first quarter of the twentieth should be assumed by us. We must not submit to domination in this matter from New York.

Coming to the international monetary fund, the bona fides of this fund is open to question. Its two principal architects were Lord Keynes and William Dexter White, both now dead. Keynes' proposal for a world currency or a bill of exchange, which he called the *bancor*, had much to recommend it, in that it was apparently designed to prevent the world being divided into currency blocs operating within geographical and economic barriers within which trade was reasonably free, but between which trade was made almost impossible by currency restrictions and exchange controls, and embargoes of one kind and another.

The White plan, as it was called, was adopted, with the result that we now have currency controls, embargoes and restrictions on an almost world-wide basis designed, not to sponsor and expedite trade, but to restrict it. Recent severe restrictions imposed upon various members of the sterling bloc against the dollar countries are most destructive to world trade. Surely it need not be restated in this House of Commons, nor in fact by any Canadian, that without world trade there can be no lasting prosperity.

The White or American plan has resulted in making a currency exchange almost impossible. Nowhere outside the North American continent is there any degree of really free exchange; and I submit, Mr. Speaker, that on that evidence alone we must consider that the international monetary fund has not served its primary reason for existence, which was the freeing of exchange.

We know from recent evidence submitted to a grand jury in New York, and by the revelations of Whittaker Chambers that Dexter White was at least a fellow traveller, if not an outright communist. I do not suggest that the international monetary fund is in any way a communist front. To do so would be, of course, improper. However, the one thing the fund was set up to do was to free currencies, to re-establish convertibility and, by so doing, promote international trade. The sad fact is that by its very regulations the fund has been a deterrent to convertibility and at least in part an instrument of promotion for currency blocs whose very existence destroys that international trade which the world must have.

Therefore I think we can regard the operations of this body, if not with suspicion at least without hope. The reports received after

the Torquay conference on tariffs and trade and the high hopes held by the delegates have proved to be a delusion and a chimera, simply because of the breakdown of the machinery of currency and exchange.

As a member of the banking and commerce committee who was privileged to hear the glowing reports of our delegates at Torquay, I can only regard with despair the recent action of the United Kingdom, Australia and others in putting even tighter and more drastic controls on their exchange and trade. Until we can make world trade more free we will not encourage it. Unless we encourage it we will not have international prosperity. Unless we have international prosperity we cannot exert our maximum effort toward the defeat of communism. I mention this matter of trade because it is overlooked in the development of what used to be known as the have-not countries, and what are now known as the undeveloped or underprivileged countries.

Mr. Speaker, trade can do more for the well-being of the people than any amount of gifts, any amount of handouts, any amount of subsidies or any amount of well-wishing that any rich country may do. It is on trade that the well-being of a people exists; and the greatest thing that we in the free world can do is to do everything possible to promote that trade.

In my opinion the establishment of a free market, so that gold could once again be used in part as the lubricant for international trade, would do more for the well-being of the world than all the pious resolutions passed by all the conferences, national or international, anywhere in the world.

That the international monetary fund has failed must be apparent to all. We must therefore take steps to make it an instrument of trade promotion, or else we must withdraw from it and the restrictions imposed upon us by membership. I would still hope that it could be made into a useful organization; but there are certain clauses in its regulations which will have to be amended before it can become so.

One of these clauses is that concerning monetary gold. Less than 15 per cent of last year's newly mined gold went into the hands of the monetary authorities of the free world. The figure is approximately \$130 million out of a production of some \$850 million. The remainder went by devious means, of which our own regulations form a part, into hoards where they can be, and I suggest are, used to foster international unrest. Certainly they are out of circulation, so far as being an effective lubricant to international trade is concerned. This in itself