

*Finance*

is a game which they play at the expense of the welfare of people throughout the world, not only of people in the countries in which they have their headquarters.

I submit that this is the basic problem. I do not deny that this is my philosophy of opposition to the uncontrolled capitalism which permits this kind of game by large corporations, national and multinational, despite its adverse effect on international trade and international welfare. In some way it should be controlled by some authority, either national or supranational.

I object to the approach which permits these corporations to play havoc with currencies and with economic situations in various countries. Every time people say that a country has lost the confidence of the international money market they mean that government expenditures in social welfare should be reduced. I hope my friend, the hon. member for Edmonton West (Mr. Lambert), who sits very close to me and is bigger and stronger than I am will not get too violent when I suggest to him that when he says we have to be worried about the confidence of the international money market, that we have to put our house in order, that we have to cut public expenditures, every time he makes these little homilies about countries in difficulty pulling in their horns and straightening out their affairs so as to revive confidence in their currency, he is speaking about nothing else than that the standard of living of the people be reduced. What these people mean is that the expenditures in social welfare and in social security measures should be curtailed and that the investment in new jobs should be reduced. That is what they are talking about all the time, and that is what they mean when they talk about confidence in the money market and setting one's house in order. I am opposed to that. That is what France had to do under the present international monetary scheme, and that is what Great Britain had to do because of its currency difficulties. Instead of being able to deal with their internal economy in terms of the welfare of the people, they were forced by international speculators to tighten their belts, which meant the belts of the ordinary workers in Great Britain and France. This is the way I look at the international monetary system, and I make no apology for it. I am not interested in this blessed mythology, this mystery, this secretiveness of the workings of the international money market.

[Mr. Lewis.]

Perhaps God has given me at least a partially sufficient intelligence to understand how these things operate and I have studied the subject to some extent. But I am not interested in the mechanics of how the people are rooked; I am interested in the fact that they are being rooked by an international system that pays no attention to and is not necessarily a reflection of the economic soundness of a country and the economic objectives of a country. It can easily become the victim of international currency manipulation despite the state of its economy, as has been shown.

My only criticism of the Canadian authorities—and I put it that way because I do not think it is the fault of the minister—is directed at the total Ministry of Finance and at the Bank of Canada, both of which have very competent, if orthodox, men heading them. I appeal to our braintrust in the financial world and in the international monetary world to become a little less orthodox and to look at these problems more in terms of human welfare and less in terms of the mechanism that is involved.

It is for these reasons that we in our party believe that the special drawing rights are a useful addition to the total pool of international reserves; there is no doubt about it. But I venture to suggest they will only be a palliative for a relatively short time.

The suggestions that I have seen in print as to the size of the special drawing rights do not lead me to think that the time will be very long. The addition to the international pool of reserves of what is now proposed does not seem to me in the total picture to be adequate even now. I think there are some other things that we and our financial experts in Ottawa ought to consider. I would be surprised if they have not done so already, but I would ask them to do so with greater readiness. I would ask them to improvise, to insist and to give some leadership on these issues.

The first thing which we should consider is a change in the mentality concerning the fixed exchange rate. The hon. member for Edmonton West made a quite legitimate remark regarding the late hon. member for Nanaimo-Cowichan-The Islands who proposed free or flexible exchange rates. He said that now Mr. McLaughlin, the president of the Royal Bank of Canada makes the same proposal, and what strange bedfellows they are. I think the significant fact is that the hon. member for Edmonton West was not prepared to accept the word of my late