

You might ask, why should what we do here as to metal coverage have any effect upon our international situation? That again is a question that you can only answer in the light of what the experience of the world has been. I cannot answer that; I do not know anybody who can. But we know what the experience of mankind has been when you use a currency in your own country that has no convertibility into any standard that is useful in discharging your obligations in other countries. Your currency can then only be used in your own country, and what it is worth in any other country is a matter of conjecture and guess. That is the story. Whether there is anything in it or not, whether, as my hon. friend says, if you come down to the ultimate analysis you find that that is all nonsense, I can only say in reply that the history of mankind has been this, and you do not have to take my assertion—you can read any standard book upon the history of it—that if there is no value that can be put upon a Canadian one dollar bill in terms of a universal standard or yardstick of measurement or value, at once there is a direct reflection upon the value of the obligations of a country that owes money in other countries.

Mr. MACKENZIE KING: It is all a matter of confidence.

Mr. BENNETT: Yes. My right hon. friend has anticipated what I was going to add. It therefore follows that it is confidence plus something. I heard Sir Josiah Stamp say here what most of you will remember, that mankind had not yet reached that state of confidence in one another where they were prepared in one country to accept in confidence the promise to pay of another country at par of the country in which the debt was being discharged, and he said it would probably be some time before that condition came about. I dare say that some hon. gentlemen will remember what he said in that connection.

I am sorry to be so long about this, but I put this to the committee. There, as the right hon. leader of the opposition has said, is a dollar bill which in Canada passes for one hundred cents. When it goes across to the United States they say, "We are not prepared to give one hundred cents for that dollar because we have not confidence in the mere promise to pay unbacked by security that it will pay one hundred cents for that dollar."

Mr. MALCOLM: In gold.

Mr. BENNETT: No, gold does not come in at the moment. I am just trying to establish my position by steps. Gold has been

selected as the universal standard of measurement. It might have been platinum, but gold has been selected as what is to be deposited in the country of issue to give value, in confidence, in the country that accepts your money in payment of your obligations. I go to the United States to pay a one thousand dollar debt, and I produce a one thousand dollar bill of the Dominion of Canada and hand it to my creditor. He has a bond of this country, and the time has come to pay. I hand him my one thousand dollar bill. Every Canadian says that that one thousand dollar bill is just as good as his one thousand dollar bill.

Mr. STITT (Selkirk): Better.

Mr. BENNETT: There you have it at once. I have been trying, to point out, and I am afraid that I have not succeeded as I should have liked, that confidence in the Dominion of Canada by a people who are not Canadians is essential to make our one thousand bill worth one thousand dollars to them. If their confidence is lacking, then the bill is worth just what their lack of confidence gives as its value—nothing more or less. We must remember that this is not so old a matter as to be lost in the cloudland of doubt and conjecture—this fixing of the value of gold is of comparatively recent origin, and in my judgment there is nothing to hinder nations meeting together and determining that gold should have a different value from what it now has. Remember that the value of gold was fixed when the population of the world was less numerous than it now is, and when the conditions of trade and commerce were entirely different from what they are to-day. But there must be some universal recognition of a standard. There must in addition be something more than that. There must be a recognition by confidence that a mere inconvertible promise to pay, of a people, expressed on a piece of paper has equal value to the people to whom it is tendered as has their own promise to pay of an equal amount.

Mr. MALCOLM: Will the Prime Minister answer this question: If it is based on a metal coverage, and not entirely upon confidence, why in heaven's name should we accept eight silver certificates for one ten dollar Canadian gold bill?

Mr. BENNETT: I did not get the question.

Mr. MALCOLM: On the exchange market to-day we accept eight American one dollar bills, which are simply promises to pay in