The effect of such a policy is to bring exchange rates in line with labour costs between ourselves and the underdeveloped countries in the world, and so open vast trading areas in markets which present exchange policies keep closed.

Such a policy could be the beginning of a world wide revaluation of exchange rates to give a better deal to underdeveloped nations and so make them markets for our exports. This is where the tremendous trade potential of world export markets lies. We would be able to scrap the gold standard in international trade, to our great benefit, just as for 30 years now we have done very well without it in our local economy within this country. Foreign exchange policy in the present world has been made a matter of great mystery. This need not be so. Essentially it is no more than a proper accounting of the international exchange of goods, and the only basis for any solid trade pattern is the exchange of goods for goods. The greatest trading nation of the world of its day was the republic of Venice. It operated a bank for more than six centuries. That bank had no gold reserves, no exchange crises; nothing, in fact, except figures in a book which represented credits which could be transferred between depositors. Frankly, Mr. Speaker, I believe we have devised nothing more practical, simple or intelligent than this system first introduced in the thirteenth century. If this nation will give the world a lead in getting back to first principles—I am speaking now of Canada—in the matter of foreign exchange, we could make Montreal the financial capital of world trade, and Canada the Venice of the twentieth century.

In summation, if we are to continue to operate under a basis as established through the Bretton Woods agreement and the international monetary fund, then some changes such as this legislation proposes are obviously necessary. This measure at this time is therefore obviously necessary. However, let me emphasize again that it is only a patch to a crutch that is already weak and rapidly deteriorating to an even greater crisis which faces us in this economic world which is narrowing down so closely to our own doorstep. On this basis, Mr. Speaker, we are not opposing this piece of legislation, because obviously we cannot continue without something being done.

Again I say I should like to see Canada not just follow along with others but take the lead in working out a basis of international exchange and settlements that will get at the very root of this problem, and deal with it in such a way as to assist the trade and development that this country needs so desperately and which the world needs as well, because today we face the paradox of plenty on the one hand and privation and poverty on the other while at the same time we are not able to solve the basic problem of how to distribute surpluses where the needs are the greatest. That is why I could not help taking this opportunity to outline a few of these points, because we should be thinking from a positive standpoint rather than the tagalong approach which in my opinion this legislation represents as we try to patch up something that has already proved itself basically unworkable in the long run.

[*Translation*]

Mr. Gilles Gregoire (Lapointe): Mr. Speaker, on November 15 last, when this resolution was introduced in the house, I stated my views on this matter. Since that time, the parliamentary secretary to the Minister of Finance (Mr. Benson) saw fit to give us certain figures concerning foreign control over our banks. Actually, on November 15, I spoke about foreign control over our banks and tonight, the parliamentary secretary considered it was advisable to raise the question and, if I understood correctly, mentioned the three larger banks and quoted certain figures—if I am wrong, the parliamentary secretary might set me right—that is the following percentages: Bank of Montreal, 33 per cent of foreign control, Royal bank, 27 per cent and Imperial Bank of Commerce, 25 per cent.

Well, Mr. Speaker, the parliamentary secretary to the Minister of Finance who admitted a while ago he was an accountant, must know that a corporation or financial interests controlling more than 20 per cent of the shares of a company can just take over and control the operations of that company because among the other shareholders, there are those who are not too concerned about making their views known, do not go to the meetings or do not even send their proxy to other shareholders. Within a company like that, the majority group is the one which is best organized. In fact, the group which owns 20 per cent or more of the shares is usually the best organized and controls the whole operation.

That is why I say that, as far as the percentage of shares is concerned, foreign interests can easily control the business and change its policy.

All that to say, as the parliamentary secretary said a while ago, that on November 15 last we expressed our fear that we would be faced with another problem after going through the first stage of this plan which, I feel, is well thought out and which, as it is stated in the bill, provides for the recognition of a fund which has already been established and which would enable member