

Hon. Mr. Euler: And have all of them paid up?

Hon. Mr. Lambert: All of them have paid up, yes.

Hon. John T. Haig: Honourable senators, I am not going to oppose the bill, though to be quite candid, I do not like it. I have no difficulty about the legal question. The bill applies only to trust companies incorporated by the Parliament of Canada. But what I do not like about it is that this International Bank was and always will be a political instrument. It is controlled largely by the United States, who are the biggest subscribers to it and who run it. I believe that any money which we provide for the bank should be contributed directly by the people through the Parliament of Canada, because it would then be recognized for what it is, a political instrument, used—and I employ the term in the best sense—for political purposes. I do not approve of the contribution of money by trust companies, loan companies or any other private organizations to an institution which is fundamentally political.

Further, I believe, although I may be wrong, that all the money we have available is needed for development here at home, and that we should use it for this purpose, because, if things go as we hope they will, no country in the world will need more capital than Canada. At the present time we are offering high rates of interest and great prospects of profit to the citizens of another country to invest their funds here, and money is coming in so fast that our currency has gone above par. This condition has nothing to do with internal management; it is entirely the result of a flood of American money.

I have said that the International Bank is a political instrument, and that private companies or private citizens should not be encouraged to invest money in such an institution. If things go wrong the Senate of Canada will be blamed for having permitted, by this bill, the investment of money in this way. As a senator, I am quite willing to vote whatever funds are necessary for the International Bank, provided they are contributed by Canada herself. In so doing I am deciding on the basis of my political and business judgment that such action is in the interests of Canada as a whole. But I do not think I have any right to put the stamp of approval on private investment in an institution over which Canada has absolutely no jurisdiction. One reads reports from all over the world of requests for loans of money for development. Iraq, Iran, Ceylon, Pakistan, India, and other nations are looking for loans. I do not criticize them, and it may be proper to make advances of this kind, but I

do not believe that the individual citizen is qualified or should be expected to take the risks they involve.

I do not oppose the reference of the bill to committee. Like the honourable member from Waterloo (Hon. Mr. Euler) I have a very high regard for the directors of our insurance, trust and loan companies. I believe they are as able men as any in our Dominion. But aside from that, we here have a responsibility which they have not. If we pass the bill we shall be saying to people who have money to invest in bonds and stocks, "We have approved of this kind of loan"; and I do not approve of it.

Hon. Mr. Lambert: Honourable senators, I do not think the points raised by the honourable leader opposite (Hon. Mr. Haig) are well taken. In my opinion the International Bank is anything but a political institution. You might call United Nations a political institution, dominated by the United States.

Hon. Mr. Haig: So it is. It is a political institution.

Hon. Mr. Lambert: Do you think it is dominated by the United States?

Hon. Mr. Haig: I did not say that. I said the bank was.

Hon. Mr. Lambert: I do not think it is dominated by the United States.

The Bretton Woods agreement, which was reached after a long series of conferences, established two institutions: the International Bank and the Monetary Fund. Naturally the larger nations, contributing according to their national income, would contribute greater sums than the smaller nations. But the international character of these institutions, and the spirit in which they were founded, certainly removes them from any charge that they are political institutions. I do not feel that such a contention can be upheld for a minute in any serious discussion of the subject. The honourable leader opposite, or anyone else, is quite capable of securing in committee the details regarding these securities as they relate to the trust companies and loan companies. I think the principle of this bill was adopted five years ago when we passed legislation enabling insurance companies to invest in these securities. All that we are asking here is that the loan companies and the trust companies may enjoy the same privilege as the insurance companies. I would point out that the trust companies and loan companies themselves have requested this. I think we can be sure of this because I cannot conceive of the Department of Finance, supported by the government of this country, thrusting down the throats of these