

*Finance*

Let me suggest at this time that not only are we going to ask for full explanations regarding these changes and how they will affect the situation, we are going to ask for the views of the financial authorities and experts who from time to time have expressed the opinion that a change from a fixed exchange system would be of advantage to Canada. I do not know to what extent they may feel this would be of advantage to the world, but these voices, although relatively few, have been heard.

We have gone through several monetary crises within the last three or four years. We have experienced these crises regularly and with increasing rapidity and intensity within the past two years.

• (5:00 p.m.)

These crises show that the fixed exchange system under which we are operating, based on the U.S. dollar and the pound sterling, has some weaknesses. We know there are weaknesses. We know that these weaknesses become apparent with increasing frequency and intensity. Therefore it behoves us to look for something better. I say to hon. members that we should be prepared now to listen to these people; to the president of the Royal Bank of Canada, for example. It was an odd thing that the late member for Nanaimo-Cowichan-The Islands was against the banks in such a deadly fashion. What a strange couple Mr. McLaughlin and Mr. Cameron made, both advocating a free floating dollar.

**Mr. Lewis:** They will never meet again in the same place.

**Mr. Lambert (Edmonton West):** I do not know where Mr. Cameron is, but I do not think the hon. member suggests he is in a place that is unattainable. There are others to whom the committee should now listen, the economists, the economic advisers to the Bank of Nova Scotia and some of the financial writers, so that the credibility of the case for flexibility may be judged. I suggest that when asking them to appear before us the burden of proving what they advocate, whether it is a free floating dollar or a floating peg, to use the jargon of the financial market—

**Mr. Lewis:** Crawling peg.

**Mr. Lambert (Edmonton West):** —is better than the fixed exchange should be upon them. The burden of proof will have to be on them to show that not only that will it benefit Canada but the whole of the international

[Mr. Lambert (Edmonton West).]

monetary market and financial relationships the world over. It would be rather ridiculous if we simply said: We will put ourselves on a tight, little, safe island and to blazes with the rest.

It may be that they are able to demonstrate the advantages of the system they advocate. I for one would invite some of them to be prepared to come before the committee and explain just what they propose and what advantages they foresee not only for Canada but for the whole of the operations of the international monetary system.

I agree that after some of our colleagues have spoken the house should be prepared to accept the motion and the bill should be sent to committee after second reading.

**Mr. David Lewis (York South):** Mr. Speaker, I rise to take part in this debate as a citizen who for many years has attempted to understand the international monetary system and has become increasingly impatient with the morass which it in fact is. One of the points I want to make immediately was emphasized by the hon. member for Edmonton West (Mr. Lambert) who preceded me. Everyone keeps talking about a currency needing confidence. My hon. friend says that the position of a currency in the international market depends upon the skill and competence with which governments run their countries. I say to him, horse feathers. That is true in some cases, but in many cases the position in the international market of the currency of a country is unrelated in any way whatever to the internal state of the economy of that country. This is the crushing fact and the undesirable consequence of an international monetary system that is really a strait-jacket to progress in the world. In what kind of economic, internal difficulties were Canada, the United States and France when their currencies were in some difficulty? None.

**Mr. Lambert (Edmonton West):** Inflation.

**Mr. Lewis:** My hon. friend says "inflation". Inflation my aunt, in this particular context. The inflationary pressures in these countries were not any greater than those in many other countries whose currencies were not in any difficulty. In fact, the inflationary pressures in the countries I have named were considerably less than those in many other countries which had no currency difficulties. This confidence about which every international monetary spokesman makes long speeches and homilies to the world is a shibboleth. They say we must have confidence in