international monetary fund. That is a clear enough answer to the question I raised, but the question remains in my mind, why is she not?

Mr. Benson: The reason she is not a member of the international monetary fund and was not able to take part in this particular arrangement, which is really an extension exchange stabilization fund on an international basis, is because of particular legislative difficulties within Switzerland, which are being corrected so that she may take part.

Mr. Thompson: I appreciate that further explanation because I did not quite understand his first statement.

I was struck by the further statement made by the parliamentary secretary that there is no intention here of attempting to set up an international currency. I agree there is no indication of that in the bill, because it states quite clearly that it is introduced—

—in order that Canada may participate in arrangements agreed upon by members of the international monetary fund to enable the fund in certain circumstances to supplement its resources by borrowings from member countries.

It is significant to me that just a couple of days before the announcement was made in the house regarding this legislation, a very detailed news report appeared in the Ottawa *Journal* of November 14, actually an article originating with the New York *Times* news service, saying the same ten countries are making plans to set up a global currency system. To quote part of the article:

The United States and nine other leading industrial nations are actively considering a plan for creation of some form of international currency unit that would gradually lessen the burden on the dollar as the keystone of the international monetary system.

These countries are then listed, and they are the same countries involved in this particular agreement, which we are facilitating Canada to take part in, through the provisions of Bill No. C-106. The article goes on to say:

The plan is one of several related ideas now under close study, all of which have the same basic objective: to maintain world prosperity by allowing the currencies of the well-off nations of western Europe to play a greater role in the international monetary system.

There may be no direct relationship between this legislation and the article I have quoted, but it is rather significant that the same 10 countries are planning something which the parliamentary secretary has been careful to state is not intended in this bill. I think we should make very careful note of that.

Returning to the background of the whole question involved in this legislation. I would like to make a few remarks which I think are of basic importance to us as we view the international field relating to exchange and problems of international settlement.

Eighteen years ago the matter of setting up the international monetary fund under the Bretton Woods Agreement Act was introduced in this house. It was vigorously opposed, not only by Social Credit members but by others as well, who realized the full implications of the new international gold standard then being set up. Many at that time rightly felt this was an attempt by the victorious United States to impose terms of unconditional economic surrender, not on the defeated enemies, Germany, Italy and Japan, but on her fellow allies in world war II, particularly Great Britain and the commonwealth.

Certainly the announcement in this house when that debate was in progress, that Great Britain had agreed to the Bretton Woods treaty upon being given a substantial gold loan by the United States, made passage of the Bretton Woods legislation a great deal easier in this house, even though the leading British negotiator, Lord Keynes, saw clearly the faults of the new arrangement and, until his death, preferred a much more realistic British scheme tied less closely to gold.

Events have, I believe, proved both the Social Crediters and Lord Keynes to be right. The international monetary fund system has not kept the world free of foreign exchange crises during the last 18 years. Britain has had them. Europe has had them. Canada has had them. Right now the United States faces a very serious exchange crisis. In fact, the threatening United States crisis is the most serious of them all because, if the United States cannot maintain the convertibility of its dollar into gold—and there is every reason to suppose the United States is not going to be able to do this in the long run, at least at present gold prices—the whole world of international commerce is threatened. At a single stroke of the pen the world's leading reserve currency, the currency in which the major part of Canada's foreign exchange reserves are also held, will no longer be suitable for that purpose, and it is this problem which caused the late President Kennedy to state only a few months before his death that one of the basic needs of the world today was a monetary reform program as it related to the mechanics of international trade and settlements.

The legislation we are now considering may appear innocent enough on the surface, but I am questioning it because I believe it reflects a major policy decision, and it is not just as simple a thing as it appears in this brief form. Are we going to continue to support the international monetary fund system