

Bank of Canada Act

time when a scheme is actively under way to involve the United Nations in the disruption of that country.

In view of all this I found it strange some months ago that hon. members could pass a bill dealing directly with the International Monetary Fund and have nothing to say about it. I find it strange now that hon. members are prepared to pass a bill dealing indirectly with the International Monetary Fund and have so little to say about it.

• (4:00 p.m.)

If it is true, as the hon. member for Nanaimo-Cowichan-The Islands says, that the Department of Finance, the government or the Bank of Canada has a stable of brilliant young economists who are working in the field of international finance, I would hope they would tell us what sort of direction we can expect this country to take in this regard.

Finally, a feature about this bill which pleases me is the removal of any restrictions on the material from which money can be made in this country. I find this a delightful part of the bill. Up until now the Bank of Canada has been limited to the buying and selling of gold, silver, nickel, copper, bronze and a few other well known metallic materials, but it seems that this bill would give the bank the power to use almost anything else it might wish to use, to coin money. I would hope that this would allow the Bank of Canada to move into materials which are exotic and valueless in themselves, so that the Canadian people might become convinced at last that there is no intrinsic value in the material itself which goes into money.

I am afraid that the committee on finance, trade and economic affairs was led partly astray by the representations made by the Canadian Bankers Association, which persisted in talking about money as a commodity, in the hope that we would all finally decide that it was a commodity, so that if there is an increase in prices of materials such as nickel, copper, or wheat—which has not gone up yet, but might—it would be only natural to assume that the price of money would have to go up as well. I think this is a dangerous over-simplification of the whole idea of money and one which needs constantly to be challenged.

Money is a means of exchange; it is not in itself a commodity. It has one purpose; that is, it is a means of distribution for the production of which we are now capable. This is the great problem which faces the world today. It does not have the liquidity to move

the production of which it is capable and therefore must turn to war, defence spending, moon shots, supersonic flights and a host of other things to dispose of the surplus production, rather than see that it is used for the benefit of the people for whom it should be used.

Mr. Sharp: Mr. Chairman, may I ask the hon. gentleman a question. I listened with great interest to his speech. I was not clear as to just what would be his policy concerning the very serious dilemma faced by the world today in the study of international liquidity. When he talked about the dilemma there was much with which I agree, but I was not sure which choice he thought we should make.

Mr. Johnston: I appreciate the question. I believe this is the first time the minister has addressed a question to me, and I do not know whether I should accept it as a compliment. I realize that the responsibility for this decision at the present time is his, not mine. I would hope however that he would make a decision on the side of using the credit of people, in the sense of using the worth of the human being as the measure, and not the value of a metal such as gold. I think any move toward the gold standard is a mistake. This is something which Social Crediters always have feared and have disapproved of. We believe a move in the other direction is the one which should be taken.

At the International Labour Conference at Geneva it was obvious to me the major problem is that over and over again in today's world the rich get richer and the poor get poorer. It is that dilemma which must be tackled. I would hope the minister would be of the same mind as this party is.

Mr. Fulton: Mr. Chairman, I do not intend to make any general remarks with regard to Bill No. C-190 at this stage, since the bill has been discussed in detail before the standing committee on finance, trade and economic affairs. I do wish however to make two suggestions to the minister, one procedural and the other general. The procedural suggestion is that in respect of one section of this bill the subject matter thereof should be referred back to the standing committee on finance, trade and economic affairs for further consideration to enable the committee to hear representations and then report back to the house. At the same time I think a certain portion of Bill No. C-222, the proposed act