

Bank of Canada Act

under "Bank of Canada" the following words: "Will pay to the bearer on demand". What is the importance of what that means? I am amazed that anyone who maintains he knows the principles of social credit and banking should ask that a change be made now. It appears that if you give five dollars to the Bank of Canada they will give you five dollars back. Well, turn a five-dollar bill in, and they will give you the five dollars back if you want it.

What is the importance of money? It is a medium of exchange and, as such, it is based on trust and confidence in our country. It means that if you give a service and are paid something, whether in paper or in metal, you can use it to buy shoes or pay rent, to buy clothing and to buy food. Money is not a question of infinitesimal words such as "payable on demand". It represents the trust felt by people that, having given a service and received something in paper or metal, they can turn round and get services or commodities back with it. Whether it is backed by gold here or in Fort Knox or in England or in Russia means nothing. Everything depends upon the confidence of the people in the paper they are given. Therefore, to make a change in infinitesimal words to the effect that if I turn in five dollars I get five dollars back does not mean a thing when it comes to the economics of Canada. Immediately the trust of the people fails, then, no matter what the wording is, our currency falls and deflation appears. Currency is based upon trust in our country, in its resources and in ourselves. The actual wording on a piece of paper, be it one dollar or five dollars or a hundred dollars or a thousand dollars, means nothing. If our country were to collapse you could have all the wording you wanted on the currency and it would still be gone. It is the stability of our country, of its economy and of its people, which means everything. This is why I rose this afternoon. I could not understand a member of the Social Credit party thinking that a change made in infinitesimal words would make any difference to the currency or banking situation of our country.

Of course, what really brought me to my feet was that my colleague from Greenwood (Mr. Brewin) should have risen to support such an asinine proposition.

Some hon. Members: Oh, oh.

Mr. Winch: Currency is not a matter of wording. Currency is trust. That is the basis of currency, whether it is gold or paper, or wampum as it used to be in British Columbia many years ago, or shells, as it was until a few years ago in Africa. What counts is the basis of trust in your exchange; it is not the wording, especially when you cannot even

read the wording without the aid of a magnifying glass. Therefore, Mr. Speaker, I hope that as a result of the study that was made in the past two or three years by the royal commission on banking and finance, and as a result of studies which I know will be made by either special committees of the House of Commons or the Senate or, I hope, by a joint committee, that we will in the not too distant future get down to a real understanding of the meaning of money. I repeat, it is not gold taken out of one hole and buried in another; it is not infinitesimal wording on paper, but it is the confidence of the people in their country, its resources and, God help me, their government. That is the security of currency.

Under the previous government our money was completely devaluated with regard to international exchange, and it has been maintained at the same devaluation by the present government. But, sir, the wording of our currency, so infinitesimal, did not result in the people of Canada losing trust in their own money. I know I am repeating myself, but I do want to say that money, exchange, currency valuation does not depend on whether it is backed by gold or by silver; the valuation of money is trust in one's own country, its resources, and oneself. Therefore I cannot understand why a Social Crediter thinks he can change the world or change Canada by infinitesimal wording which, I say again, sir, 99.99 per cent of the people of Canada do not know is on the paper; because when they receive a dollar for their services, they anticipate a dollar's return—and that is the only true meaning of money.

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I want to support without any reservation the bill introduced by the hon. member for Chicoutimi (Mr. Côté), and I believe it should be passed by this house right away. We should not wait for the government to take measures following the report of the Porter commission, because it does not have to accept a commission's recommendations.

What the hon. member for Chicoutimi means is that if we go to a bank, it is impossible to get gold pieces, and I think that, in principle, he is right, and that these words on our currency should be removed.

However, this does not mean that I agree with—

[*Text*]

Mr. Winch: Mr. Speaker, may I ask the hon. member where on a bank note does he find that you can get gold; and if he cannot get it, why does he want it?