

*Currency, Mint and Exchange Fund Act*

which they will be sitting on the right-hand side of the Speaker, they will ensure this basic prosperity which the country has today.

**Mr. Colin Cameron (Nanaimo-Cowichan-The Islands):** Mr. Speaker, I have no doubt that the parliamentary secretary to the Minister of Finance (Mr. Benson) is relieved to be able to float into the more rarified atmosphere of the international monetary fund where no doubt auditors are appointed by a celestial agency, free of the taint of the ambiguities of party politics. I suppose one might say that the parliamentary secretary is technically correct when he states that this bill which is now before us has nothing to do with the international fund and some of the discussions which took place with regard to the question of international liquidity earlier this session.

However, I believe he will agree with me it is within that area of our international operations that this bill falls. For some time the international monetary fund had required a very conservative reputation, but fortunately that reputation seems to be ameliorating a little now. Shortly before his retirement, the late director general, Mr. Jacobsson, had some very interesting things to say. In his annual report before the last annual meeting there can be found Mr. Jacobsson's statement, or some of it, which reads:

International liquidity should be sufficient to allow these countries, the industrialized ones, to take the expansionary step needed for the benefit of their own economies, as well as to assure continued expansion of the world economy. World reserves rose by only 9 per cent in four years ending 1962, while world trade rose by 31 per cent in the same period—obviously too heavy a load for even that increase in world reserves to carry.

Undoubtedly, it is the hope of the Paris club countries, who are now taking the action we are taking here today, that this expansion of the international monetary fund will act as a stop-gap until later permanent steps may be taken.

I had occasion earlier this year at an international conference to deal with this matter of the necessity of research being undertaken into this problem of international liquidity. I pointed out at that time that while we have learned how to free ourselves from the chain of gold that strangled national economy and enabled us to emerge into an era of managed currencies, we have not been able to do that on the international scene. As a consequence, we have been placing an intolerable burden on the shoulders of our neighbour to the south, the United States of America, who gave us warning earlier this year that this burden was now becoming too heavy for them to carry. Consequently, they introduced into the

[Mr. Nowlan.]

United States Congress the interest equalization measure which I believe is now about to be passed by that body.

Obviously, the United States must have some relief from the situation in which it finds itself today, otherwise the pressures to which it is now being subjected to increase the price of gold may become too heavy to be resisted. I think most people today would agree that any step towards increasing the price of gold would have a most dislocating effect throughout the world.

I was very pleased to hear the parliamentary secretary say that the Canadian government's representatives at the present meetings will certainly not be dragging their feet but, if anything, will be urging our partners in the international monetary fund to go forward with the task of developing and evolving some modern method of international exchange that will be able to carry the ever increasing load created by the vast expansion of production throughout the world today, and this is equally important, enabling the industrialized countries of the world to take really effective steps in the direction of development of underdeveloped areas, and to reduce the gap which is growing wider and wider between the have and have-not nations.

I note that when this matter came up previously on November 7 some fears were expressed that this was a dark, deeply laid plot which was going to deliver us into the hands of the international money lenders and money changers. I suppose perhaps these fears arise from the feeling that the developments, which may take place after the meetings of the Paris club and the international monetary fund committee, may contain the seed from which may grow the plan of future world administration. For my part I would welcome that hope in the world today. I recollect that over 20 years ago John Maynard Keynes possibly wrecked the scheme he put forward at the time by an obiter dictum viewing it as a possible first step to world administration. Perhaps, in the light of the tremendous developments that have taken place in the last quarter century, we are today sophisticated enough to accept that prospect, not with dismay but with hope for the future.

**Mr. R. N. Thompson (Red Deer):** Mr. Speaker, our criticism of the bill relates only to subclause (1) of clause 1, which permits Canada to make purchases of securities of the international monetary fund. The second part of clause 1, in our estimation, deals simply with a technical matter and no question is involved with it.

The parliamentary secretary has just stated that Switzerland is not one of these ten nations, simply because she is not a member of the