

Finance

financial and monetary conditions. I have in front of me a copy of the Canadian Business Survey for 1971. It contains statistics that reveal the tremendous powers of multinational corporations, with particular reference to their effect on world monetary policy. They indicate that at the end of 1971 the multinational corporations had short-term liquid funds amounting to \$268 billion. That is more than double the entire amount of the official short-term funds of all the countries that are members of the International Monetary Fund. I repeat: the multinational corporations had more than double the short-term liquid funds of all the countries which belong to that association.

That is the position of the countries belonging to this association which are trying to get together to solve international financial problems. One can realize from these statistics the effect that the policies of these huge international corporate giants can have on balance of payments problems, on problems in respect of interest rates and on commodity prices. In spite of this, we do not find much in the minister's statement regarding what attitude the world community is going to take toward multinational corporations. We do not see anything in the minister's statement in respect of who is to police their activities, or who is going to say what they can and cannot do.

I cannot help but emphasize that the power of these corporations is largely responsible for much of the inflationary rate we are experiencing today. The expansion of American based multinational corporations outside of the United States has had a serious effect on the U.S. balance of payments. This also has an effect on the value of the Canadian and American dollars, driving them down, and the subsequent appreciation of the German mark, the French franc and the Japanese yen. This has resulted in increasing the prices of commodities imported into in Canada. I suggest that all of this is due to the corporate policies of these giants, most of which decide policy without respect for the ordinary citizen or governments around the globe. These corporations decide policies behind closed doors where most nations of the world cannot exert influence.

My second concern is in respect of the International Monetary Fund, the World Bank and other banking institutions which are doing very little to develop the needy countries of the world. I know as a fact that many of these countries resent the policies of our international monetary institutions. What they want instead is some significant effort toward providing them with a fair share of the trade enjoyed by developed countries. I suggest that our banks are partially responsible for the international monetary situation. They have international arrangements. They have literally billions of dollars tied up in investments and assets in other countries round the world such as the Caribbean and Europe. These are problems we will have to solve. They are what we might call serious ideological problems which the world community must solve if we are to reform the monetary system.

● (1430)

Third, what is the reaction of the minister to the current move in the world toward special drawing rights and away from gold as a standard? He does comment extensively on this in his report, but I should like him to elaborate and

[Mr. Nystrom.]

provide the House with more information concerning Canada's position. It is very important when talking about developing the third world to remember that the poorer countries have very little influence on the financial policies of the world in general. It is very important that we learn more about the minister's attitude toward special drawing rights.

Finally, as I said, it is important that we solve the monetary problems of the world because a lot of the instability creates inflation in our country and precisely because of that we do not have control of our economy and do not determine many of the decisions we must determine if we are to control the economic situation in our own country. We in this country should not use the international situation and the importation of inflation as an excuse for not doing anything about controlling inflation in Canada. We can tackle some of the multinationals. In Canada we produce commodities like energy, lumber, copper, iron and steel and we could control to a large degree the prices of many of these commodities that we produce if we only had the guts to tackle some of the multinational corporations and international cartels.

These are things we should be doing if only the minister would get off his fanny and start acting in a decisive and positive manner instead of sitting back in an international financial conference and saying, "Oh my, it is a difficult problem and we cannot solve it". We can do many things. We can put exchange controls on our interest rates if we want to bring down interest rates in this country. We can make certain investment policies mandatory. These are things we can do in Canada and which we should be suggesting to the other countries in the international arena as well. I am not satisfied and I am sure the people of Canada are not satisfied. I urge the minister to press ahead and do all he can in a decisive and positive manner to reform the world monetary system so that the poorer countries of the world, Canada and the ordinary citizens will be beneficiaries of that reform and not the international monetary institutions.

[Translation]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, the Minister of Finance (Mr. Turner) has shown clearly enough the almost complete failure of the International Monetary Fund. He actually attended two meetings, one within the Commonwealth of nations, and the other which brought together representatives of various countries of the world in Africa and at both meetings, the minister found—like his colleagues at those meetings—that the system should be reformed.

There is much talk about the monetary reform of the international fund. They do not know which way to turn, they are lost in conjecture. Inflation is destroying one country after another and they talk of monetary reform without determining clearly the lines and structures of a necessary reform. Mr. Speaker, in 1944, when the Bretton Woods Agreements were signed, the Crétitiste members of that time, along with Solon Low and John Blackmore, were against those agreements and they described then exactly what is happening today to the International Monetary Fund.

I say that the world bank is at the present time a complete failure, which undoubtedly shows this organiza-