

*Finance*

people of the international community, responsible members of government, do not assume their responsibilities, within a few months, a few years, we shall experience a situation even worse than the one prevailing now.

In fact, the French problem is not settled yet it is simply a poultice on a wooden leg and many other countries find themselves in the same situation.

• (5:30 p.m.)

The situation for Canada is every bit as serious. From an international point of view, it is in a very awkward situation. It cannot compete with the other countries, it cannot meet its obligations, and it cannot keep on injecting money into the International Bank, lending it money so that it can help various countries.

The World Bank was set up to help underdeveloped countries and those which were destroyed by war, to give them the help required for their economic, physical and intellectual development.

The International Bank must operate on the international as well as the national level; but now it is operating only half-way; it is not producing the expected results and that situation must be corrected; otherwise, we will witness horrible catastrophes that will have repercussions begging description.

And so, Mr. Speaker, with regard to the myth of clinging to gold as international currency for international exchanges, or else having 25 per cent in gold and the rest in bills, I must say that the Canadian people no longer believe it, nor do several other peoples. The gold myth should also disappear within the United Nations Organization which influences the International Bank and its member countries.

Several countries have signed that international agreement, those Bretton Woods agreements, and all signatory countries are in a bad way. Those which need some loans cannot obtain any, because there is not enough money in the fund, the rates of interest are too high and those which have already borrowed too much and have no credit are unable to borrow. Several countries would like to borrow from the International Bank, but since they have obtained other loans, they are unable to borrow, because their credit is nil. They have no more credit at the World Bank and that does not help matters. Neither does it help, Mr. Speaker, the international situation of the countries which signed those Bretton Woods agreements. Now, the gold myth should no longer exist.

This is what should be done in Canada: As a signatory country, we should demand its total and complete disappearance to which should be substituted a simple debit and credit accounting. When a country shows a debit, it is registered, as is done for a credit. Let us make away with that deplorable international gold situation. It does not render us any service. Even the United States which are among those countries which have particularly taken advantage of that agreement based on gold are denouncing it today. That country believes that it is financially foolish to encourage the use of the gold standard.

In conclusion Mr. Speaker, if we have an International Bank with various member countries, it should be authorized to grant credit, according to the needs, the situation and the possibilities of each country.

The International Bank should be able to extend credit to a country that needs money, but not at the fantastic interest rates known today, that is 5, 5½ and 6 per cent, and sometimes more than 6 per cent, as is the case presently. In granting those funds, the International Bank should make loans to meet the needs of the various countries and charge only for its operating expenses. Then, Mr. Speaker, we could do something for the nation, instead of only creating mountains of debts. Instead of having debts impossible to repay, we would have manageable debts. Instead of lending what does not exist, we would rely on the real value, on the real physical needs of our country and this way, every country could expand normally and operate according to its possibilities, not according to the money that is in the International Bank.

If there are no funds in the International Bank, the development of countries or natural resources has to wait because that famous bank does not serve its purpose which is to lend money issued in accordance with each country's actual and physical capabilities. That, Mr. Speaker is the role and *raison d'être* of an international bank or of a national bank. As long as this problem is not settled, we shall have to face even worse situations than the one we have to cope with now, because the more the present system is implemented, the more national economies are disrupted. The more that harmful indebtedness system is applied, the more we create insoluble problems of never-ending debts.

This is why we will have further repudiations of debts in many countries. This will also happen in Canada, as our difficulties to