

The Address—Mr. R. Caouette

cuss with him the utilization of the Bank of Canada. Again I quote the same excerpt:

... consult regularly on monetary policy and on its relation to general economic policy.

(2) If, notwithstanding the consultations provided for in subsection (1), there should emerge a difference of opinion . . .

In the past, we have witnessed a difference of opinion emerging between a minister of Finance and the governor of the Bank of Canada.

... concerning the monetary policy to be followed, the Minister may, . . .

... in case the minister did not know that he might, now he will . . .

... after consultation with the Governor and with the approval of the Governor in Council, give to the Governor a written directive concerning monetary policy, in specific terms and applicable for a specified period, and the Bank shall comply with such directive.

When the purchasing power is inadequate, the minister has the right to write a letter to the governor of the Bank of Canada and tell him to get down to business in order to make the purchasing power commensurate to the goods on sale in Canada, to the Canadian production.

I continue the quotation:

(3) A directive given under this section shall be published forthwith in the *Canada Gazette* and shall be laid before Parliament

... because the Parliament has to decide . . .

within fifteen days after the giving thereof, or, if Parliament is not then sitting, on any of the first fifteen days next thereafter that Parliament is sitting.

This act was passed during the 1966-1967 session. I am speaking about the Act to amend the Bank of Canada Act, and about Section 14 of the Bank of Canada Act which grants to the minister the power of giving directives to the Bank of Canada.

Section 18 which deals with the Business and Powers of the Bank, powers granted by Parliament to the Bank, reads as follows, and I believe the minister will understand:

(1) The Bank may

(i) make loans or advances for periods not exceeding six months to the Government of Canada or the government of any province on the pledge or hypothecation of readily marketable securities issued or guaranteed by Canada or any province;

(j) make loans to the Government of Canada or the government of any province, but such loans outstanding at any one time shall not, in the case of the Government of Canada, exceed one-third

... of its budget, of its national revenue and . . .

... one fourth . . .

... in the case of the provinces.

If the province of Quebec has a budget of 4 billion dollars, it is entitled, according to the Act, to borrow directly from the Bank of Canada up to 1 billion dollars a year, but for periods not exceeding six months. This means putting a lock on the door of the Bank of Canada. What can a province do in six months?

Nevertheless, Mr. Speaker, that is the most essential problem, which prevents the provincial governments to agree with Ottawa. If Ottawa make use of the Bank of Canada! The minister can do it, the government can do it;

[Mr. Caouette (Témiscamingue).]

the Bank of Canada has the responsibility, and the law allows it to grant loans.

It is only a simple matter of replacing the words "six months" by "sixty years" as it is done for banks and as it is done for loans granted to India, Algeria, Tunisia, South America, Central Africa or South Africa.

Why not do so for Canadians, provinces and municipalities, through provincial governments? No, the government does not want to. We listen to a Speech from the Throne. We are told to wait for the introduction of bills. We are told forever to take away from the "haves" and to give to the "have nots". This does not increase the global purchasing power of the people by one half cent or a cent. The government is still holding on to its principles.

Mr. Speaker, during the election campaign we advocated three things for a global policy for Canada. First, the guaranteed annual income which we can afford and maintain. Instead of paying unemployment insurance benefits, social welfare allowances and all kinds of other things, through an overly costly bureaucracy as we have now, we say that everybody must be granted a guaranteed annual income whether they work or not. The difference is that the one who works gets a salary in addition to his guaranteed annual income whereas now people are compelled not to work so that they may receive unemployment insurance benefits, social welfare allowances or any other kind of social security.

Mr. Speaker, this is why many people say: I am not going to work; it is more profitable to be unemployed. Last fall for instance it was hard to find people for apple picking in Rougemont or in other areas of the Eastern townships. Why? People were receiving \$80.00 or \$85.00 a week in unemployment insurance benefits. As they were offered \$60.00 to go to work, they invariably said: Let us stay at home, we are not going. If we could find a way to encourage men to work by assuring them of a guaranteed annual income which nobody could touch, every Canadian would be seeking employment at the present time. And we have been suggesting it for a long time. Here again we do not wonder if we have the production to warrant it; no. We keep on wondering if we have the money required for it. It will cost that much. It is always the money problem.

But, for instance, as soon as a war is declared nobody is ever heard saying that there is not enough money to manufacture guns or bombs: money is plentiful. We have never failed to finish off assembling a gun for lack of a quarter.

During World War II when bombs were being dropped on Hitler's head in Germany, were there memos delivered to him before releasing the bombs warning him that they would not be dropped unless he paid cash? No. He was attended to free of charge during the entire war.

Everyone understood and nobody objected to it. But when it comes to setting up a salary scheme which would enable citizens to live a decent life in peace and unity, it so happens that we cannot afford it even though we can afford to displease provinces and municipalities. Currently, everyone is cursing the government.

Mr. Speaker, we advocated the guaranteed annual income throughout the election campaign. You will say: Yes, but everyone in Canada did not vote Cr ditiste. Quite