

that he is carrying a hat rack on his shoulders rather than his head.

Goods and services determine the value of money. Thus, we should strive to maintain a constant balance between the amount of money being created and the output of goods.

We must implement immediately a monetary policy based on the maintenance of a fixed level of domestic prices. To this end, the central Bank must exercise its exclusive privilege to issue money so as to maintain a constant level of prices. Issuing money under this principle would not amount to an original debt and would not bear any interest.

Private banks should be allowed to borrow and to invest instead of creating book money for their investments which tends to expand or to restrict the money supply and to alter the value of our currency.

It is unbelievable that governments, one after another, should have allowed private banks to create and issue millions of dollars of new money, without any obligation on their part to maintain the stability of the purchasing power.

In concluding, Mr. Speaker, we advocate the financing of public capital and new interest-free credits underwritten by the Bank of Canada or an agency connected with it, which would reduce pressures now exerted on the money market and reduce the rates of interest. Public works financing through interest-free loans would allow for a rapid development of this country's social equipment, according to the needs and while material and human resources exist.

Such interest-free financing would result in the lowering of prices and taxes which are now a burden for all classes of citizens, especially low-income or fixed-income groups such as pensioners. The financing of public capital through the creation of new credits issued by the Bank of Canada would also result in freeing huge amounts of private capital that are now tied up in federal, provincial or municipal bonds. Such capital would become available to private enterprise, which will not have to turn to foreign capital any more. In due time the Canadian people will thus be able to regain control over their economy, to please the members of the New Democratic Party who are so much in favour of the recovery of economic control by Canadians. This would lead to lower consumer prices, a drop in the cost of living and the end of inflation.

The ultimate effect would be the improved condition of the people as a whole, which should be a target for all governments throughout the world, including that of Canada. If the Canadian government is unable to strive for that goal, I shall repeat what my colleague, the hon. member for Bellechasse, said at the beginning of his remarks: Let him step aside we are ready to do the job for him.

[*English*]

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I, too, would like to commend the hon. member for Bellechasse (Mr. Lambert) for introducing

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this very important motion and would like to commend also the hon. member for Winnipeg North Centre (Mr. Knowles) for making the plea on behalf of the veterans and the aged of the country.

The section of the motion to which I wish to direct special attention concerns the Liberal government's failure to come to grips with the problem of ensuring a minimum standard of living for all Canadians, including the working poor. For many people, this involves the introduction of some form of guaranteed annual income. In fact, many of the provinces are actively considering a guaranteed annual income scheme, as anyone who is reading the reports from Victoria will know. This subject has been on the front pages of the newspapers for the past few days.

First of all, let me define what I mean when I speak of a guaranteed annual income. The term refers to that family of proposals that have in common the aim of supplementing incomes in an attempt to raise and keep all incomes above a poverty line. Basically, the guaranteed income would place a floor of minimum income security under every Canadian so that all citizens would be assured of the basic necessities of life, whether or not jobs can be found for them.

There have been two occasions in the last six months when the Liberal government has broached the topic of a guaranteed annual income. In both cases, their discussions of the topic have been noted more for inconsistent reasoning and misleading arguments than for the intelligent appraisal that Canadians have had every reason to expect after the fanfare with which the Liberal government embarked on its so-called just society policy and its war on poverty. The two specific instances to which I refer are, first, the white paper on income security and, second, the proposed amendment to the Canada Assistance Plan to allow individual provinces to institute their own guaranteed income plans, as suggested last week at the welfare ministers conference. In each case, the Liberal government has shown a complete lack of responsible leadership and intelligent appraisal of how best to tackle the issues.

First of all, let us consider the white paper on income security. This was prepared under the direction of Deputy Minister Joseph Willard and took two years to research. Much was hoped from this study. Canadians expected the paper to include the announcement of a broad new social policy for the country. However, the white paper turned out to be a document that is utterly contradictory in the jumbled "social philosophy" of sorts that emerges from different pages. The attempt was made to present a philosophy which would appease at one and the same time both those who favour economic growth and no major redistribution of income and those who would like to see a guaranteed annual income and a more equitable standard of living for all.

The white paper avoids any discussion of the redistribution of the national wealth and talks only of the redistribution of existing income security payments. No attempt is made to rationalize the present patchwork quilt of income support programs; yet, current social