

Bank Act

suggest also that the learning process in this type of work in committee sessions is a two-way street and that in many cases the witnesses appearing before committees also learn. But one thing I hope for, and I think the Canadian people could come to expect this, is a greater sophistication in the approach to the monetary system than was displayed by witnesses appearing before that committee and particularly those representing the chartered banks of Canada.

This is something Social Credit has been endeavouring to do for a very long time in Canada. It has been a long-term process of education to teach the Canadian people that the monetary system is not quite as innocent system as is suggested to us, that money is not, as is suggested frequently, a commodity like other commodities, that many of the comparisons that were made at great length in that committee were specious, that money is created in a way quite different from what was frequently suggested to us, and it is a gross over-simplification of the whole process of banking and money creation to suggest that the banks lend only the deposits of the people who have entrusted their money to them for safekeeping. This is the educative process that Social Credit has been engaged in for a long time, and judging from much of the evidence in the committee we will be so engaged for a long time yet.

But we do make progress, and we know that some measures which have been advocated by Social Credit from the beginning have been partially instituted. These were referred to in the debate on the Bank of Canada Act. We know that it has been possible for the Bank of Canada to assist in meeting the interest charges on the national debt, and this has been a saving to the people of Canada. We hope, though, that as time goes by the people of Canada will take a more acute interest in this matter, and I am sure they will as the interest charges on the national debt increase. This year, as we see in the estimates that have just been presented to us, the figure is \$1,250,213,000.

I am sure the enormity of this figure must give Canadians cause for thought. If they have examined the diagrams that so many newspapers have prepared which show the Canadian dollar divided like a pie and have paid attention to the percentage of the whole pie that is dedicated to the cost of servicing the national debt, it should be obvious by now to the people of Canada that what the Social Credit party has been saying for so long has a far more permanent foundation

than has been suggested by the Minister of Finance or by the witnesses from the banking profession who appeared before the committee.

● (3:40 p.m.)

I know that in our questioning of those witnesses we could not expect to receive the same frank answers that were given in the 1930's when a different governor of the Bank of Canada was before the committee and when rather frank acknowledgements were made with regard to the involvement of the chartered banks in the creation of money. As I have said before, the learning process is a slow one and the defenders of the present system are not inclined at present to give a frank answer. One of the interesting features of the committee hearings was the very lengthy circumlocutions used by some of the witnesses in getting around the central facts of monetary policy and the creation of money.

We in this party are not denying the necessity of bringing the Bank Act up to date. We recognize the importance of bringing legislation up to date in light of the rapidly increasing pace of a modern technological society. This bill is overdue and has been long delayed.

We welcome parts of the Bank Act. For example, we welcome the clauses which deal with mortgage money and will allow chartered banks to enter into that field. Housing has been one of the most neglected areas of Canadian industry and the degree of neglect has reached a crisis point because owing to rising immigration our nation is facing a very serious housing crisis. The situation has reached the point where the proponents of public housing are suggesting that it is the task of the government to enter the field of housing to a far greater extent than it has done before.

I really cannot understand why this suggestion should be made even by the socialist representatives in this house because they should know from their reading about Sweden, that socialist state which is so often held up as an example to us, that that nation, which has a far smaller and far more stable and static population than that of Canada, has a severe, continuing and worsening housing shortage. If public housing and the socialist philosophy were the answer to the housing shortage, then if any nation in the world could show that this was the way to solve the housing problem surely Sweden would be that nation. Nevertheless I know from personal experience, having visited that country