

Use of Bank of Canada to Ease Tax Burden

(d) in the case of a child thirteen or more years of age but less than sixteen years of age, eight dollars per month.

This was in 1944-45.

In this regard, I would like to point out, Mr. Speaker, that this schedule established in 1944 is still in force and that it has not changed for 25 years or a quarter of a century.

Now the 1944 Act set the schedules to which I have just referred. There is no doubt that the law-makers at the time did not intend to fix the rates for a period of 25 years, for it is obvious that today such rates destroy the philosophy that was behind the legislation then enacted and that they no longer correspond to the ends sought when the Family Allowances Act was passed.

Since then, Mr. Speaker, the cost of living has increased considerably, mainly as concerns food. For instance, if we take as a basis the cost of living index of 1949, set at 100, we readily see that in 1949 a dollar could purchase \$1.34 worth of consumer goods at 1944 prices, when this legislation was passed.

On the other hand, if we consider the cost of living index today or the consumer price index, we realize that a dollar is worth 64 cents only in 1968 as compared to what it was worth in 1949.

In 1949, the consumer price index was set at 100, whereas it stood at 74.6 in 1944. On the other hand, that same index has gone up to 157.5 in 1968. Therefore, it has more than doubled.

• (5:00 p.m.)

Therefore, Mr. Speaker, if family allowances are to preserve the value they were attributed in 1944, such as encouraging the development of families and insuring them a minimum of well-being, the rates must now be doubled.

At a time when governments are being asked to control expenses and to decrease taxes, where will the money come from? Is decreasing taxes a solution? The Cr ditistes have a ready answer, even though the hon. member for Edmonton West (Mr. Lambert), who was one of the first to speak on this subject, asked how it is possible to accept our theories. The answer might be that he should take some advice from his party caucus and ask the hon. member for Red Deer (Mr. Thompson) to give him supplementary information.

Nevertheless, the Cr ditistes have a quick answer: from the same sources as the banks [Mr. Matte.]

whenever they lend money and create deposits out of nothing.

If it is taken for granted that the Canadian production of real credit is equivalent to twice our national consumption or more, it is possible to arrive at figures indicating the true benefits of real credit being realized by the Canadian people and to credit each Canadian citizen with his share of this surplus value.

The real national credit is defined as social credit, a common credit which belongs to all. On his appearing before the standing committee of the house on banking and credit, in 1934,—one year before I was born—the founder of Social Credit, Major Douglas explained the origin of a national dividend as follows:

It is the surplus value through association. For instance, this is the case when ten people are pulling a load. If they pull separately, they might try for a week without moving the load. However, if the ten of them use a rope and combine their efforts, the task becomes easier. The ten men can do together what they could not do separately.

We cannot say that the tremendous production increase made possible by the association is due to the efforts of one person only, it comes from the association. The result is the profits of this association that have become so important that we have reached a phase where a decreasing number of people, much lower than the available number, is able to produce the necessary wealth for the whole of the people.

The surplus of wealth thus produced belongs to society because it comes from the automatic surplus value of the association.

The real problem of our time consists in coining this surplus value and in distributing it. This is the base of the Social Credit philosophy.

It is for this reason, Mr. Speaker, that I shall support the motion moved by the hon. member for Shefford, in order to make use of the powers and resources of the Bank of Canada for coining the real credit of this country; coining the surplus value earned by the social work and the joint capital in order to distribute this surplus value in a social fashion.

History teaches us that over the years, there have been three kinds of currency: cash money, credit money and near money. History is nothing but day to day experiences, and these experiences teach us also that credit money is used today as a means of exchange for almost all kinds of goods in this twentieth century.

If since the last century, governments or sovereign powers have withdrawn to private banks the privilege to issue money or to print banknotes, before the end of the twentieth