

*Canadian Economy*

the result was paralyzed industrial and business activities for a large number of companies.

Let us remember, Mr. Speaker, that during the war of 1914-18, the government contributed to putting into circulation an impressive quantity of dollars which were used first and foremost to produce ammunitions of all kinds that the consumer would not buy but which were nevertheless manufactured and, the flow of money thus created increased the purchasing power for consumer goods.

This caused an extraordinary price increase in all sectors of our economy at that time. Farms would sell at exorbitant prices. Food prices rose to a level which enticed farmers' sons to buy very expensive farms of their own, in the hope that the situation would remain the same for years to come. That was the post-war boom.

Alas, disenchantment followed. The days of artificial prosperity were soon over and the year 1929 came too soon. That was the onset of the depression, of the "crash" as they called it in the United States. I remember those days, being then a young man already on the labour market. We learned, not on the radio because our sets were not able to tune in American stations, but in the newspapers that the "crash" on the New York stock exchange had tolled the knell. That was the onset of the depression because people had been led to believe U.S. that the dollar would depreciate and Americans who had money in the banks ran to those banks to take out their savings, because they no longer had confidence in the American banking system. They feared they would lose their savings.

● (1640)

What happened is that the American government reacted very rapidly. The president called the Congress. It came to the rescue of the banking system to restore the confidence of the American people. All financial institutions were forced to close down and through legislation, the American government restored the people's confidence necessary to allow the system to keep on working.

It remains nevertheless that it was the beginning of a depression which caused great hardship not only to the American people, but to the Canadian people as well.

In the period between 1918 and 1929 some people lost everything they had worked for because they thought, from lack of experience, that the boom they had lived through would last. At that time, people were buying anything at any price, a business, an industry, a farm, what have you. But when 1929 came, profits disappeared and we experienced bankruptcies, as I said before, many bankruptcies, loss of savings, to such an extent that people fell ill and had to be hospitalized for the rest of their lives.

Mr. Speaker, to recall those cases is not daydreaming, it is simply to call attention to the current situation.

It will be remembered that in 1930, there was a general election in Canada. At that time, I was old enough to attend political meetings and see and hear on the hustings Liberal and Conservative candidates debating.

At that time, in Saint-Adrien, my home town in the riding of Megantic, I saw two real men, two candidates fight one another vigorously after Sunday mass on the porch generously made available by the owner of the general store, so that the candidates may inform the people. I remember seeing, among others, a respectable merchant, an experienced businessman, Mr. Léonard

Tremblay, who as a Liberal member represented in this House for a number of years the riding of Dorchester, now included in the riding of Bellechasse. Mr. Tremblay used to say with bitterness: "Butter is cheap, but what can we do, it is a global problem, butter is flowing everywhere." I remember those phrases. Butter was cheap. The price of 4 cents a pound did not even pay the paper to wrap it in. And they used to say, as we are told now, it was a global problem, we must accept it as a scourge, because we were sinners and we had to pay for our failures.

Mr. Speaker, the Canadian people believed what politicians said at that time, and the Liberal party was beaten. A discouraged Mackenzie King asked: "How did it happen? I tried my best, I wanted to give my country the best administration possible and the people do not understand. And Mr. R. B. Bennett was elected. He took the power with as many seats he wanted—an overwhelming majority. And then he tried by all possible means to put the country on the way to prosperity. But the bankers had control over Mr. Bennett as they used to have over Mr. King and he did not have the required money to achieve programs designed to create employment with a view to restoring the confidence of Canadians and making them prosperous.

At that time, we had the direct assistance system, which strangely reminds me of the system we have now. It is called differently but it provides the same remedies, the same means. Then as now there were thousands and thousands of youths able to work but who could not find any jobs. And I recall an employment system for young people, who were told: you are lazy, you do not want to work. Canadians are lazy since you do not want to earn a living, you do not work. This is what they were told at that time. And they had been given the opportunity to join the army. You do not have the means to buy clothes, we shall clothe you. And then, they were dressed in a kaki uniform and paid 20 cents a day. Imagine, 20 cents a day! What kind of a future would young people prepare with 20 cents a day! What happened? Untold numbers of young people thus lost precious years that they could have used to truly prepare themselves for the future.

Then, in 1935, there was a general election. The two same men ran against each other: Mr. Bennett for the Conservatives and Mr. King for the Liberals. Each one had a sensational program which would bring prosperity to Canada. But Mr. King had had time to reflect for a few years. He had had time to get to the bottom of things and to truly study what had been the cause of his mismanagement. And Mr. King had discovered that it was a lack of money. He said: Well, if I am reelected, I know what to do. You will witness the greatest fight between the government and high finance that has ever been seen in the whole world. People believed him. Mr. King said: If a parliament, if a government does not regain control over its money and credit, it is useless to talk of democracy. He said: If I am given the power to do so, I will fix all that. He was therefore given the power but the problem was not solved; it has remained unsolved to this day.

The great fight that the Canadian people were supposed to witness never happened. Of course, we were given the Bank of Canada, that institution with a truly fine-sounding name: Bank of Canada, the Bank of Canadians, but the government forgot to give to the Bank of Canada the