

Supply—Finance

minister and the minister himself, who are two of the most brilliant young men in Canada today, two of the most capable; if you were to put these two young men in charge of a financial system, where they would be operating in accordance with reality, concerning themselves about the welfare of the country rather than about the welfare of the banks, of the mortgage companies and a whole lot of other financial people, concerning themselves about using Canada's resources rather than blocking production and generally upsetting the whole economy; if you could take two such young men and then put into their hands a real financial system, one that was genuinely realistic, they would produce results which would delight everybody in the Dominion of Canada inside of five years.

Some hon. Members: Carried.

Mr. Blackmore: Yes, I know you would like to carry it. Just let the prices keep rising and rising and rising, as they are doing now! Wood pulp went up the other day, and there is an agitation to bring the price of telephones up, the cost of railroad freight rates up, and the wages of the textile workers up, everything going up, forcing the cost of production up, so that when things come down there will be a disastrous loss on everybody's part, with demoralization of the whole economy.

Let no one try to smile that off because that is exactly what happened in the great depression. It is exactly what happened in the United States, and the same thing happened in Canada. We said we could not help it because the United States went down. Well, we can help it if we take realistic measures in respect of finance.

Now, take No. 5. If we can answer No. 5 with "yes", then I do not need to talk at all. If the minister will say that the answer to No. 5 is yes, I will not have to reason with him. No. 5 reads as follows:

Would it not appear, furthermore, that another logical means of scientifically spending such newly-created dollars into circulation would be to provide consumers with direct issues of consumer purchasing power resembling cost of living bonuses, thereby counteracting deflationary tendencies by, in effect, purchasing markets?

Old age pensions, family allowances, and all that kind of thing, increasing pensions for the blind, for the incurables—we can produce all the goods to supply them with the needs of life—food, clothing, shelter, services—vast amounts of them. Why should not we be able to use financial means to help to distribute these good things, rather than prevent the things from being used, or leave them unproduced? Is there anyone who has anything to say against what I am saying now?

Some hon. Members: No.

Mr. Blackmore: If there is I will do a little more reasoning.

This is the first time, Mr. Chairman, since I have been in the house that we have had a chance to have a real showdown on this financial question. The minister will not answer question 5. But if the minister had answered and answered truthfully, his answer to every single one of these five questions would have been "yes", and I will challenge any man in Canada to prove the opposite—I do not care who he is.

Now, what I am talking about, Mr. Chairman, simply and briefly is this. These questions that I have asked are fundamentally the social credit idea.

Some hon. Members: Carried.

Mr. Blackmore: If the minister agrees and says the answer to these questions is yes, then he agrees that the fundamental techniques of social credit are absolutely sound.

I do not propose to detain the committee any further. I thank the committee for having listened to me. And I warn the government that it cannot afford to attempt to shrug this matter off. We are right up against realities today. If we do not make the right kind of changes in our financial policy there will be plenty of cause for regret in the heart of every person in Canada. I thank you, Mr. Chairman, and again I thank the committee.

Mr. Macdonnell (Greenwood): There was a time when I had proposed to deliver myself at some length on this item, but as the days have gone by I have jettisoned more and more of my speech until very little of it is left, and I think if it were an hour or so later it might have all disappeared. But there are one or two things that I should like to say, and I think they can be said in a very few minutes, although one might well desire a more enthusiastic audience. Nevertheless I will proceed.

I just want to put on record this simple fact which perhaps may have escaped the notice of most of the people of Canada. Within the last six months the government, and in particular the Department of Finance, has in fact ditched the whole of the policy which they have been following for years, in spite of repeated urgings that they should not do so. Of course I would not expect anyone to take my word for it, because it is conceivable that it might be prejudiced, and therefore I wish to quote a little from a pamphlet I have here reprinted from the editorial pages of the *Winnipeg Free Press* and marked "Inflation II". I would not take