

radio and through the propaganda machine to-day which will be a disgrace to the sponsors of it ten years from now.

The government can increase production by loans to producers. It is advancing, and quite generously, I read, money to concerns which are to build munitions factories and other means of producing the goods that we shall need in this war. There is nothing wrong with extending the application of that principle to include the producers of any other commodity, watermelons, for instance, if we wish to have more of them.

Again, why not give assistance to both the producers and consumers of goods? Why not bonus home production? Already the government is paying, I understand, a bonus on choice cheese, and that is a sound way of stimulating the production of choice cheese. Why not try bonusing the production of any other commodity that we are in danger of running short of?

People may ask, where will the money come from? Let those people read Professor Plumptre and then try to get sense out of their question. We can bonus the producers. Why not, for example, bonus the producers of our sugar? I have time and again on the floor of this house urged that our beet sugar industry should be assisted by way of bonus, but I never hear of anything being done about it. Why not do it if there is danger of a shortage of sugar? Why not bonus if there is danger of a shortage of oil and of each of a wide variety of other products?

Why not grant the consumers a bonus as we do in Alberta through the Alberta treasury branch? It would, I know, be a disgrace for this government to adopt any monetary policy advocated in Alberta. But the time may come when men will yet go to Alberta for instruction. They may find that there is still good to come out of Nazareth.

Why not bonus both producers and consumers by providing cheaper freight rates; for example, by extending and increasing the subventions on coal to other commodities so that Alberta wheat, for instance, may be sent out to British Columbia chicken producers? Why not? Men are tremendously worried about the surplus of wheat, but one hears of no attempt being made to modify the freight rate structure to enable our Alberta wheat to move more cheaply to the egg producers in British Columbia. Freight rates would be the first thing a common sense administration would think of. Why not remove the sales tax on certain desired commodities; why not have a tariff exemption on certain essential raw materials and component parts required in the production of commodities the supply of which we wish to increase?

[Mr. Blackmore.]

All these measures would tend to prevent inflation by increasing the supply of goods. Other means of preventing inflation would be to encourage investment and production by fair remunerative prices, by assuring the producers of immunity from injurious taxation and from destructive changes in tariff policy.

I suggest to the government that it study social credit proposals. Solutions for the ills of the world have been discovered in less reputable sources in times past. Let the government learn the truth about social credit and then through its elaborate propaganda machine, always at work, tell the Canadian people the truth about social credit. Tell the people what inflation is, and what causes it, and how it can be prevented. Tell the people the cause of the adverse exchange rate on our Canadian dollar. Tell them what economic nationalism really means. Tell them why nations with a shortage of resources have resorted to economic nationalism and will continue to resort to economic nationalism as a measure of self-preservation. Tell the people the truth so that they will know these things. Why not tell the people of the real productive power of Canada with respect to the various commodities of Canada? Why not tell them of the real consumptive power of Canada? If that is done, the people will be ready for the introduction of social credit.

When we have sound economic production, sound economic consumption and a sound economic price structure in Canada, we shall be well on our way to the introduction of the much maligned system of social credit. Social credit is just common sense in action. Then and only then, when the government introduces those three things, sound economic production, sound economic consumption, and a sound economic price structure, can Canada contribute to the maximum, of her glorious power in defence of her heritage, her people, her empire and her king.

Mr. MACKENZIE KING: Perhaps the house will permit me to make a statement which I believe will be of intense interest to all, and in so doing to follow the example of the Prime Minister of Great Britain, who interrupted the proceedings of the British House of Commons to-day to make the statement which I wish to quote.

NAVAL ACTION IN MEDITERRANEAN SUCCESSFUL ATTACK ON ITALIAN FLEET AT TARANTO—STATEMENT OF BRITISH ADMIRALTY —MR. CHURCHILL'S COMMENTS

Right Hon. W. L. MACKENZIE KING
(Prime Minister): Mr. Speaker, in the British House of Commons to-day Mr. Churchill