

Suggested Interest-free Loans

in the amount of \$225,000 and a credit-money for \$275,000 to complete the price of the bridge. The Credit Office records on the assets side of the province the amount of \$500,000 which represents the new bridge. The contractor had made a profit; he has paid a salary to his employees, and he has paid the materials suppliers with the \$500,000 which represent a debt on the production of the community. This is liabilities versus assets. If no one had used that money, the province would have simply acquired extra wealth and nothing else would have changed. Of course this money, at least a good part of it, is used to buy food, clothing, shoes, to pay the rent, transportation, medicine, and so on. All these purchases represent consumption, and they also contribute to greater production.

As long as they have not reached their maximum, agriculture and industry can increase their production. No need to embark upon lengthy investigations to find out that nowadays a great part of the production is unused or wasted.

Should the increase caused by the credits issued for the bridge be sufficient in itself to meet the increased demand, the bridge will be paid through that production increase.

In fact, the bridge will have been paid through the work of its builders. And those builders will really have been paid by the community's increased production. The community will have paid the cost of its bridge in the form of work, products, services, without having to deprive itself or to lower its standard of living.

In the opposite case, where consumption financed through the \$500,000 would increase without any increase in production, consumption would become greater than production. The result would be an increase in the readjusted price. The buyers would get less for their money. It would amount, in the end, to a tax on the citizen's standard of living. The result would probably be between those two extremes.

But, in any case, the consumers, on account of the price readjustment, get the whole production corresponding to their needs. In every case also, each citizen is sure to get a part of the available production on account of his dividend.

The system has to be considered as a whole to see that not only does it preserve the rights of the individual but also the aspirations of the community while truly reflecting how wealth is produced and destroyed whether it be public or private.

If we feel that capitalism is better than socialism or communism, let us preserve capitalism. But if we feel that capitalism does not benefit everybody, let us try to study it, analyze it in order to straighten it out, while preserving its strength and its merits. This is elementary logics: not to destroy what is good, but simply to straighten out what is warped.

It is not by creating new debts through borrowing that we shall be able to repay our debts. I believe that the state should recover its financial control. The state must recover control over issuing and regulating money and credit. It will do so through an independent board empowered with all the necessary authority to achieve this purpose, that of financing public services and ownership.

[*English*]

Mr. Rod Thomson (Battleford-Kindersley): Mr. Speaker, it would be nice if we could arrange to have all this money referred to in the motion provided interest free. I have no doubt that many municipalities would rush to build some project or other if that were possible. Perhaps some would commence building madly in all directions. However, I feel that the motion would have been more reasonable had the party sponsoring it suggested some limit to it or put forward some priorities in the way of projects to be built with this money. I think all of us, including the members of the Cr ditiste party to my left, would accept the fact that there must be a limit to what can be built in any given period. If you allowed too much money to enter the economy in a short space of time, the economy would be burned up.

I realize that my friends to my left would not agree with me, but I suggest that it would be a good idea in times of prosperity to build up project banks, if you will, these banks to be comprised of, for example, hospitals, schools, bridges, senior citizens' homes and government building of all kinds. Then I suggest that different communities list their priorities, say in order of age, need and cost, depending on the community. As I say, these banks would be built up when times were relatively good. When a recession hit a particular area, or the country as a whole faced a depression, we could then start to build some of these projects in an effort to compensate for lack of business activity in a community, or to offset unemployment.

Too often in the past when we have felt flush, when business has been good, when