

Social Credit Monetary Policy

second question if he wants to balance his budget. Under a Cr ditiste system, what would the Minister of Finance ask himself? He would ask himself two questions. What does the country want? What can Canada supply, not in terms of money or taxes, but in terms of men, labour, resources and techniques?

• (9:30 p.m.)

Who are those and what are the materials the country can do without in the production of food and clothing, in the construction of roads, bridges and hospitals?

If the government decides to build the pipeline along the Mackenzie, the workers and businesses engaged in this project will produce neither food nor clothing. Other people will have to provide them in their stead, to produce food for those employed in the construction of the pipeline as well as for themselves.

The problem is to know whether, under a Social Credit government, the country would be physically able to construct the pipeline without prejudice to the production of consumer goods. Money has nothing to do with that, nor does the bankers' will. Under the Social Credit system there would still exist physical problems, but no longer monetary problems, since money should reflect the real facts and be connected with them.

A Social Credit budget would be based on the hierarchy of the public services required and possibly available, and there would be no question of taxes, for government expenses have nothing to do with taxes. Then, it would provide for the cases where excess money would have to be withdrawn, but it would not impose taxes simply to balance the budget. Taxes have nothing to do with expenditures. The basis of the Social Credit budget would be what the country can provide in the form of public or private services, and the financing problem would be set aside, for finance must be managed as the needs appear, within the physical limits of the country's possibilities.

Mr. Andr  Fortin (Lotbini re): Mr. Speaker, the hon. member for Bellechasse (Mr. Lambert), seconded by the hon. member for Kamouraska (Mr. Dionne), has tabled the following motion:

That this House regrets that the government has not seen fit to apply Social Credit monetary policy.

I congratulate them heartily because it is a rather sorry sight to find that the government not only does not innovate, but also keeps repeating the mistakes of preceding governments. This is why we propose that they apply or at least study honestly the open and earnest position of the Social Credit, but in vain because our advice falls on barren land; at the sight of members laughing, we wonder if that is the only thing they can do.

However, this is a definite proposal, in the sense that we suggest again to the government to study first the Cr ditiste proposals before rejecting them out of hand.

The present liberal government believed, at the last election, that it had appropriate solutions to the various problems of the Canadian people, and that they are more

[Mr. Rondeau.]

themselves who said that, but publicity, the power of money.

Mr. Speaker, the government must recognize today its failure in this respect. Successive governments, both Grits and Tories, never wanted to admit that the basic problem which is the direct source of all others was the financial problem. Instead of recognizing it and trying to tackle it, they focus their policies on secondary problems which in fact prove that they are unaware of the real problems of the Canadian people, and that they are more interested in protecting their party than in bringing new and effective solutions. We saw a proof of that when a good Grit and a good Tory, the Minister of National Revenue (Mr. Gray) and the member for Joliette (Mr. La Salle) had a heated exchange.

To realize the ineffectiveness of this administration, one has only to recall the countless white papers and royal commissions which cost millions of dollars and give nothing to the population. Those are the solutions offered to us. We, of the Ralliement Cr ditiste, are most anxious to get action from the government.

The solutions suggested by the Cr ditistes all have economic balance as a common denominator, as determined by the constant balance that should exist between the production forces on the one hand and the consumer forces on the other. In suggesting practical and specific legislation, Social Credit tends to accelerate the economic process involving both these major lines of force while enabling the human individual to fully enjoy its role as a producer or as a consumer, in complete freedom, and security, assured of a guaranteed minimum income as the hon. member for Shefford (Mr. Rondeau) said a while ago.

To achieve that we propose as a basic rule a debt-free monetary and credit system through realistic monetary and fiscal proposals to encourage the balance of our internal economy and of our foreign trade.

The successive Liberal and Conservative governments have all advocated the same monetary and fiscal solutions for the same economic and financial problems. You may recall for instance the famous period of austerity imposed on us by the Conservative government under the right hon. member for Prince Albert (Mr. Diefenbaker) who was Prime Minister in 1962.

As the Liberals of Mr. Pearson were then in the opposition, they proposed, as you will see at page 1348 of *Hansard* of November 6, 1962, the following motion blaming the Conservative government, and I quote:

This House is of the opinion that the emergency austerity program of tariff surcharges and tight money introduced on June 24 of this year should be stopped at once.

That was Mr. Pearson, Mr. Speaker, blaming Mr. Diefenbaker.

The Progressive Conservatives, it will be remembered, had formulated and adopted on June 24, 1962 a policy of credit restrictions. They said: tighten your belts, because of inflationary pressures. This galloping inflation must be checked.

Progressive Conservatives, in their effort to prevent galloping inflation, prevented Canadians from eating and