

*Social Credit Monetary Policy*

ment economy, to endow Great Britain with social assets that cannot be achieved at the present time owing to lack of money or credit.

He continued:

For a great number of years, seven dam projects have been under consideration in the United Kingdom, designed to increase water resources, enlarge the British heritage, improve navigation and port facilities and in certain cases build power plants and improve the road system.

All these projects would result in important assets for the population and besides would create a great number of jobs. Such projects would cost hundreds of millions of pounds, but the cost of producing such credits would be very small. Is this not a case where one should do what Keynes advocated so strongly: "To make financially possible what is physically feasible."

As a first step, it would be necessary to establish a National Financing Corporation to provide the credits required to create assets for the benefit of society. Thus work would be provided as long as resources would permit. In a free society, in peacetime, over-abundant manpower cannot be directed to different occupations, but with education, retraining, good wages, decent housing, it can certainly be attracted to other jobs, bearing in mind that the GNP may be increased yearly by at least 600 million pounds.

• (8:20 p.m.)

Never before has our capacity for production, transportation and communications been so great; however the admonishments from the government to tighten our belts are unavoidably followed by limitations imposed by producers in various ways. History, of course, will tell us that taxes have been too heavy and complicated and, although this is not the object of this lecture to discuss tax problems and their basic objectives, it remains nevertheless that technological progress requires an expansion of the economy if we wish to reach full employment.

This is why we suggest that for what we call capital funds that do not bring profits, a National Financing Corporation must be developed to meet those needs. This would require specific terms of reference to avoid a conflict with the various financial organizations already serving the private sector of the economy which is based on profits—The National Financing Corporation which is one of the most important factors of governmental policies would however provide a considerable share of the money or funds now levied through taxation. In spite of the present high rates, taxation is unable to use unemployed resources to build, for example, a modern road system and in addition, it adds a tremendous burden to the costs which the community must pay in the form of interests.

Mr. Speaker, last Friday, the Minister of Indian Affairs and Northern Development (Mr. Chrétien) stated to the house that he would very much like to be able to finance the construction of a Canadian pipeline in the Mackenzie valley, but that because "he was not a Cr ditiste, he did not know how to print money."

If the minister does not know how money and credit are created, he should see his banker who, if he is the least bit clever and honest, will tell him how the banking system creates credit out of nothing. And if his banker does not know, than I shall merely send him the extremely instructive booklet published by the Royal Bank of Canada entitled *How the Canadian Money Supply is Affected by Various Banking and Financial Transactions and Developments*. If he does not understand after having read it, then we can introduce him to members of the party who will be in a position to

[Mr. Godin.]

explain that to him clearly and accurately. Thus he will learn that whatever is physically desirable must be made financially possible, and that through a financial system consistent with the facts, financial problems would not exist, if there is no production problem.

As Marquess Serra writes in his book entitled "Economic Chaos and The Coming Revolution", there is no trick to evaluating in dollars the use of materials, natural resources and technical processes. And there is no trick either to creating purely monetary means, therefore the credit to facilitate the exchanges of various services, which will make the plans come true.

In this age of technology, here is a technique to be developed. And we can do it as soon as we decide. It is a matter of decision, that is all. The money is there, the products are there, the tools are there. All we have to do, is decide.

May Divine Providence guide you in your deliberations.

The Governor General of Canada thus ended his speech at the opening of this session on October 8, 1970.

If we analyse the travels of the Prime Minister (Mr. Trudeau) and of other members of the government such as the Secretary of State for External Affairs (Mr. Sharp) to distribute around the world our wealth and help the underdeveloped countries through gifts of food and interest free loans for periods of 50 to 60 years, we realize that the prayer of the Governor General of Canada has been answered. It is obvious that Providence has guided our political leaders to the benefit of foreign countries.

I will repeat the prayer of the Governor General:

May Divine Providence guide you in your deliberations.

Because I am only a representative, I hope that this prayer will be answered at 50 per cent, so that our government might forget for a time the ills of the whole world and limit itself to taking the necessary measures to meet the needs which exist presently within the borders of our country.

**Hon. Herb Gray (Minister of National Revenue):** Mr. Speaker, the long familiar motion brought before the House regrets that the government has not seen fit to apply the Social Credit monetary policy.

Such a policy was stated for the first time by a British engineer, Major Douglas, in a book published in 1920 and entitled "Economic Democracy".

It is significant that during the half-century that followed, no government of any country in the world endorsed the Social Credit doctrine. It is also significant that the two provincial governments in Canada headed by parties that still go under the Social Credit label, only pay lip-service, if that, to the Social Credit theories.

While the Social Credit party is no longer represented in its original form in the House and no longer exists as a party on the federal level, Social Credit theories are still being advocated by only one group, the Ralliement cr ditiste.