

*The Budget—Mr. Kuhl*

sented purchasing power; it does not; it never existed as money; it existed only as prices. Then he continues:

I have seen magicians stand upon a platform and pull rabbits out of a hat, hand them to a boy and have them disappear the next minute, but I have never seen a rabbit cause a man to disappear from a platform.

Well, I maintain that is exactly what the hon. member is endeavouring to do by supporting the monetary policy which he has supported. He is endeavouring to get this country out of debt by going further into debt. He is trying to make the rabbit make the man disappear from the platform. He can no more get this country out of debt by a debt creating system than he can get out of a hole by digging the hole deeper. He continues:

Here we have a member of the House of Commons who has been able to accomplish the impossible. By a mere twist of the fingers, 15 billion dollars' worth of production disappears.

The leader of the social credit group did not make the inference or the statement, that the production disappeared. The hon. member continues:

I challenge my hon. friend and the members of the social credit party in this house to tell us where that 15 billion dollars' worth of production went.

Well, this is where it went. In the United States, as all hon. members know, consumption was financed, and financed in different ways. All money that was issued as relief money was financing consumption. We know that many millions of dollars have been paid out by the federal government of the United States to producers of wealth for not producing, for restricting their production. We know that a great deal of wealth has been sabotaged. That is where the 15 billion dollars' worth of production went. But all this money which was issued for consumption was written up as debt, and the debt of the United States has constantly increased because of that. It is much the same thing that social credit members would be instituting with the exception that this consumer purchasing power would not be written up as debt. Then the hon. member continues:

They say that perhaps this production is lying on the shelves of the merchants, but I would never accuse capitalism of producing 15 billion dollars' worth of goods which it could not sell.

There is no accusation in that. What has that to do with accusation? Then he continues:

[Mr. Kuhl.]

Has it disappeared into the pockets of the bankers?

No it has not, because it never existed in the first place.

I do not think our banking friends are so smooth as to get away with that much without losing their equilibrium. I do not believe that has happened, and I do not know where this amount has gone. My hon. friends say that it has disappeared, and I ask them to search for it and find out where it is.

His hon. friends never did say it disappeared. As social creditors we maintain that the difference between total income and total price values exists only as prices, not as money or purchasing power anywhere in the system.

Then the hon. member continues with an illustration of a book, and then he says:

There is only one thing which could possibly arise, and I should be very glad indeed to hear my hon. friends deal with this matter. There is a possibility that in some part of the process some man might have got too much while others got too little. It is following largely the teaching of Major Douglas when I say that perhaps someone got too much, but I doubt very much whether any of it disappeared.

Major Douglas does not teach that principle. Major Douglas maintains that there is never sufficient money in existence to buy all the goods that are produced.

I should like to quote one passage from page 125 of Major Douglas' book *Warning Democracy*:

Economic advantage to the ordinary man means money advantage, and he has the idea, if he thinks about the matter at all, that there is only just so much money in the world, and if one man has more than the other must have less.... The poor are poor not because the rich are rich, but because there is not enough money, or more correctly, purchasing power, to make the poor rich, or even comfortably well off, even if the whole of the money possessed by the rich were taken from them and equally divided amongst the poor. The result of attempting to enforce the latter policy, and such an attempt is being made in many countries to-day under the stress of public pressure and democratic politics, is merely to accentuate the difficulty and still further to increase the grip of the financiers since the distribution of purchasing power, largely through the agency of wages, depends to a considerable extent on the buying of articles which would not be produced at all if the existing amount of money were equally divided, since no one would have enough to buy articles which may be said to be above the most mediocre standard of living.

The hon. member continues:

The enigma of the social credit system is the disappearance of the value of production which they cannot trace and which they have made no attempt to trace.