

Use of Bank of Canada to Ease Tax Burden

which \$1,000 has been credited. As a result of this pen and ink credit entry, I am able to write five cheques for \$200. The payees will deposit the cheques, then the bank will debit my account and credit the accounts of my creditors. It is very easy to understand our banking laws. Something is created which did not exist before by a simple stroke of the pen.

We all know that government money in Canada is short. If it is possible for the chartered banks to create this kind of "figure money", why does not the federal government use the Bank of Canada for governmental requirements, whether they be provincial, municipal or federal? The government of Canada should ascertain whether the Canadian people have sufficient products to maintain a high standard of living. If the government were to do this, I believe they would discover we have plenty of everything in Canada. The only thing we are short of is buying power.

We of the Social Credit really believe that the real wealth of the nation should be monetized in order to maintain a functional balance between actual production and consumption, to the direct benefit of all of the people of the nation. Some will ask how this can be done. It can be done by placing in the hands of consumers sufficient purchasing power to move that which is being produced into the hands of those who can and need to use it. This would not bring inflation. Inflation is the result of having more money in the hands of consumers than is necessary to purchase the total amount of goods produced. Likewise, a depression is the result of having more goods for sale than there is purchasing power among the consumers to purchase those goods.

• (5:40 p.m.)

It is obvious, Mr. Speaker, that Canadian citizens have a right to share in the wealth of Canada. If you receive a dividend from some company in which you have invested, no one will consider this a dole. Canada is one of the wealthiest of nations in natural resources. May I quote now from the official record of the Banking and Commerce Committee of parliament which sat in 1939. Mr. Graham Towers, governor of the Bank of Canada, was on the stand giving evidence. He was asked this question:

Would you admit that anything physically possible and desirable can be made financially possible?

Mr. Towers answered, as recorded at page 771 of the committee record for that year:

Certainly.

[Mr. Tétrault.]

A further important question was asked as recorded at page 394 of the committee record:

Will you tell me why a government with power to create money should give that power away to a private monopoly and then borrow that which Parliament can create itself back at interest to the point of national bankruptcy—

Mr. Towers answered in part as recorded at page 394 of the committee evidence:

Now, if Parliament wants to change the form of operating the banking system, then certainly that is within the power of Parliament.

In closing, Mr. Speaker, I wish to add this. He who does not love his brother whom he has seen cannot love God whom he has not seen. We have this commandment. He who loves God should also love his brother. Let us look forward to a better Canada for our Canadian citizens. We will all be proud to live in this country once we have established a better system where each individual will not be deprived of his share of the wealth of our nation.

[Translation]

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, in support of the notice of motion which the hon. member for Shefford (Mr. Rondeau) introduced in this house today I wish to draw the attention of the hon. members during the few minutes allotted to me on the housing problem which I consider, in agreement with the Hellyer's task force on housing and urban development as an urgent priority for the Canadian people.

I would qualify the present situation as disastrous and intolerable for the Canadian people with low or average annual income. I refer to those who earn \$4,000, \$5,000 or \$6,000 per year. Indeed, during the past 30 years, the federal activity in the housing field has been steadily expanding, an expansion largely based on the needs of the moment, as the difficulties and pressures made it necessary. However, the work performed was negative and subjected to prohibitions, while the present situation does not require a partial, but a comprehensive, objective and imaginative plan, in order to really solve the problem. In short, it should not be a make-shift program which would only fill the gaps to make things look better and which would settle extreme cases to cope with stagnation; we need a program liable to improve as much as possible the standards set by the government, especially those of the Central Mortgage and Housing Corporation. In support of my statement, I refer to page 15 of the report