

Canadian Economy

Tonight I do not want to deal with various problems in particular, and thus demonstrate that there is only one sector of our economy that is ill. We could talk, for instance, about the economic conditions in the shoe-making industry, particularly in my region of the Eastern Townships where more than 75 per cent of the shoe manufacturers are now forced to close their doors. Every day, people with 30 or 40 years of experience must be laid off because manufactures in Acton Vale, Granby or in my region must close or lay off 75 or 80 per cent of their staff.

We could give the same figures for the furniture industry. In the textile industry, the situation is the same. We could also quote figures on unemployment in our area, as well as in the maritime provinces and elsewhere in Canada where the situation is almost identical.

Mr. Speaker, this evening I should like once again to bring up a matter in which we, Social Crediters, see the cause, if not the cornerstone, of economic unrest in Canada. I mean the financial situation in which Canada finds itself today. Before going any further with my remarks I should like to say that even before the Social Crediters sat in this House, there were people who said exactly the same things which we have said since 1935 or 1936 when we first came to this House. On the other hand, the famous words of illustrious people are still timely today because nothing was done about the recommendations they made throughout the history of Canada or that of the countries around us. For instance, in 1930, the most eminent Prime Minister England has ever known said something which could well be repeated again today in 1975. Sir Winston Churchill, in his Romanes lecture "Parliamentary Government and the Economic Problem" delivered at Oxford in 1930, said this, and I quote:

[English]

Who would have thought that it would be easier to produce by toil and skill all the most necessary or desirable commodities than it is to find consumers for them? Who would have thought that cheap and abundant supplies of all the basic commodities would find the science and civilisation of the world unable to utilise them? Have all our triumphs of research and organisation bequeathed us only a new punishment the curse of plenty? Are we really to believe that no better adjustment can be made between supply and demand? Yet the fact remains that every attempt has failed. Many various attempts have been made, from the extremes of communism in Russia to the extremes of capitalism in the United States. They include every form of fiscal policy and currency policy. But all have failed, and we have advanced little further in this quest than in barbaric times. Surely it is this mysterious crack and fissure at the basis of all our arrangements and apparatus upon which the keenest minds throughout the world should be concentrated. Lasting fame and great advantage would attend the nation which first secured the prize.

[Translation]

A former British Prime Minister said that all attempts had failed because there were tax reforms but no in-depth economic reforms.

Mr. Speaker, I would like to give some figures which speak for themselves: In February 1941, the U.S. debt was \$65 billion. Because of the war, on March 28 of the same year, the debt jumped to \$125 billion. And because the debt had increased so much over one month as a result of the war, a meeting was held with the leading U.S. businessmen and financiers. Here is what the financiers said to businessmen about war.

● (2050)

[English]

The bankers said to them through the soft-voiced High Priest of Banking, Bernard Baruch, "To hell with the cost. We are in clover again. We are in war. Jobs will multiply. Money will triple. Sirs, the sky will be the limit. We will build unneeded plants, remote from raw materials. The most costly way will be most pleasing to us. We will spend \$15 million on a magnesium plant in the village of Austin, Texas, which will never turn a wheel; a \$60 million iron furnace in the potato fields of East Texas, and its furnace shall never glow. We will hire all the crack-pots we can find to think up crazy schemes to waste money.

[Translation]

American or international bankers were then talking to American businessmen and politicians.

[English]

Go, go out to spend, pad your expense accounts, never forgetting the cost plus formula. And they raised the war debt to \$300 billion.

[Translation]

Mr. Speaker, within a few months, following the wise advice of this grand priest of international financiers, the late Bernard Baruch who died a few years ago, the American debt went from \$65 billion to \$300 billion at the end of the war. Between February and March 1941, the debt soared from \$65 billion to \$125 billion. During the war, there was no problem.

[English]

According to Professor Rautenstrauch, Professor of Industrial Engineering at Columbia University, world debt increased by 47 per cent during the 17th century; during the 18th century by 466 per cent; during the 19th century by 12,000 per cent, and today is increasing at a still more rapid rate.

In the case of Canada... from Confederation up to January 31st, 1936, the interest paid on this national debt amounted to \$2,823,245,405—almost as much as the principal.

[Translation]

Now, Mr. Speaker, in 1975 we in Canada paid \$5 billion more in interest on loans than the total of the present debt.

This means that if Canada had financed its federal bonds through the Bank of Canada, we would not have any debt and would now be left with a surplus of \$5 billion.

Here is another quotation from a banker, the chairman of the Bank of England in 1920, then the second richest man in the whole British Empire. His name was Sir Josiah Stamp, which is neither an English nor a French name.

[English]

"Banking was conceived in iniquity and born in sin... The bankers own the earth. Take it away from them, but leave them the power to create money and control credit, and with a flick of the pen they will create enough money to buy it back again. Take this power away from them, and all great fortunes like mine would disappear. They ought to disappear. This would give us a better and a happier world to live in. BUT, if you want to continue the slaves of bankers, and pay the cost of your own slavery, then let them continue to create money and control credit... However, so long as governments will legalize such things, a man is foolish not to be a banker".

[Translation]

This is a statement by the chairman of the Bank of England in 1920. Moreover, during a hearing before the American Congress in February 1943, he said: