

The Budget—Mr. Matte

financing companies, consumers loan companies, chartered banks, Quebec savings banks, etc.: \$61,954,437,000.

It is because of that indebtedness and at the cost of financiers controlling the whole national economy and the life of every Canadian that our economic system has not yet collapsed, and still subsists, though dangerously.

But as the Postmaster General and Minister of Communications said so well, it suffers from cancer and the end is near.

It is not surprising, Mr. Speaker, that so little effort is expended to deal with the problems of unemployment, housing and social security, as the Minister of Regional Economic Expansion also stated.

It is not surprising because the present system is on its last legs. It is finished, broken; the people, the governments are broken, submerged by debts, and the only remedy is to propose austerity measures, to ask us to tighten our belts, because money is scarce.

During the 1963 election campaign, the opponents of the Social Credit party, with the Liberals in the lead, proclaimed far and wide that a Social Credit system would create monetary inflation.

The Liberals paid for full-page ads in the newspapers owned by financiers to show that under a Social Credit government money would lose so much of its value that a truckful would be needed to buy a pair of shoes.

They even published photographs showing people in Hungary and Germany burning their money or using it to paper their walls because their banknotes were worth less than ordinary wallpaper. However, they forgot to mention that such things happened under the present financial systems of Hungary and Germany and not under a Social Credit regime.

For under a Social Credit system, inflation would be impossible, whereas the present financial one cannot escape it.

What is inflation? The word "inflation" means simply "swelling". Inflation recalls some unhealthy and abnormal distension.

For instance, obesity is a kind of swelling and the dropsical subject happens to be inflated. Such distension is unhealthy and unnatural. The growing child, who puts on weight, does not swell. It does not get inflated, although it gets taller and bigger to a much larger extent than the dropsical or obese subject.

[Mr. Matte.]

As applied to an increase in the volume of money, in the number of dollars in circulation, the word "inflation" constitutes an unhealthy expansion, an abnormal swelling.

On the other hand, some economists give to the word "inflation" the pure and simple meaning of an increase in the quantity of money in circulation. Thus, some may contend, to the great confusion of the public who does not understand too well, that inflation must be prohibited, ostracized, while others claim that it is desirable, because they recognize that the volume of money should be increased and that a certain amount of inflation is necessary.

As for us, we think that inflation is definitely wrong, harmful and that it should be denounced. But that kind of reasoning should not be pursued so far as to fear any increase in available funds on the ground that any monetary expansion is a catastrophe.

The Créditistes are of the opinion that a greater purchasing power essential to the people's prosperity and welfare, which would correspond exactly to the increase in production, would not affect in any way whatsoever the value of money and would be put in circulation without causing inflation, if the monetary growth is equal to that of production. This is a technical and mathematical problem. Owing to statistics which the government receives all the time through its various departments, it is aware of the increase in production, chiefly by analyzing the price index. A Créditiste government would put in the consumers' pockets the money corresponding to such an increase. This new purchasing power to buy a new production, being directly distributed to consumers without going through a production system and not being therefore related to prices, would not cause inflation.

When taxes become insufficient money is the loser.

They want to dominate the economy, socialize welfare, give to everybody but in order to do that they must take from everybody. What is not received from taxes is obtained from money.

Mr. Henri-Ernest Blanchenay, banker, chairman of the board of the Private Bank in Geneva, and member of the Edmond Rothschild group, gave the history of the Eurodollar in those terms and he established the possible repercussions of that market on currencies and their progressive depreciation. Mr. Henri-Ernest Blanchenay was the lecturer, on April 23, 1969—