

rate comparable with that of any country in the world? This is a question which we as legislators should ask ourselves.

• (9:20 p.m.)

It is all very well for the hon. member to refer us to the committee on consumer credit of which I am a member, although I have found it difficult to find the time to attend because of my work on other committees. It is all very well to refer members to the findings of that committee. I could deal with them at length and I could state what I think they should bring in as a recommendation. But let us look at the root of the problem.

This government took office in 1963 as a minority government. It wanted to be returned with a majority. How best could it acquire that degree of acceptance across the country? It thought it could best acquire it by printing money. My Social Credit friends to my left will say "surely not; they don't believe in that." But that is exactly what they did. If you doubt my word, look at the last monthly statement of the Bank of Canada. One has only to compare the last monthly statement with the last monthly statement when the Conservative government was in power.

This government came in as a minority government and wanted to go to the people as quickly as possible and get a majority. How best should they do it? They created an artificial position so that Canadians all across Canada would accept them. I should like to quote a brief paragraph from a statement by Mr. Louis Rasminsky, the governor of the Bank of Canada, when he spoke in Rome. This is what he said in respect of inflation:

Inflation in its early stages is popular, it creates a feeling of ebullience and well-being which does not tempt the community to ask too many questions about the future.

That is what the governor of the Bank of Canada said in his speech in Rome as reported in the *Ottawa Journal* of November 10, 1966. He said that inflation creates a popular feeling and tempts the community to ask not too many questions about the future. This is the very condition this government tried to create, because they were elected with a minority in 1963 and wanted to go back to the people as soon as they could and get a majority. They wanted to create a popular feeling.

I am pleased to see the minister in the house because I wish to quote from a letter dated August 5, 1966, which was written to people who are close to me.

This present government has been in business fostering this economy in a financial sense since

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1963. We made a deliberate decision to increase the money supply and we have increased it by over 50 per cent since that time.

The minister who wrote that letter is sitting on the front benches now. In August, 1966, he said that they had made a deliberate decision to increase the money supply. Bear those remarks in mind and compare them with what the governor of the Bank of Canada said in Rome. Bear that in mind in conjunction with the fact that the Liberals were elected in 1963 as a minority government. What did they do? We in Alberta have contended with the funny money policy for years. The premier of Alberta said that he would go federal any day if he could get away from the tag "funny money". Yet we in this house sit opposite members who have applied social credit to the country. They have printed money far in excess of the gross national product and the growth in population in Canada.

Mr. Olson: Would the hon. member permit a question?

Mr. Horner (Acadia): Yes.

Mr. Olson: First, would he dissociate himself from us and, second, would he mind explaining how it is that there seems to be such an acute shortage of capital when he is arguing that the money supply is too large in Canada?

Mr. Horner (Acadia): I will come to the question of the acute shortage of credit very quickly. First I should like to indicate where we began and where we are now. We began with a boom in 1961 with which the present government was not satisfied in 1963. They wanted to create a false economic position so they could return with a big majority in 1965. They did not deceive the governor of the Bank of Canada. He said that inflation in its early stages is popular and creates a feeling of ebullience and well-being which does not tempt the community to ask too many questions about the future. We know where we began. We know what they had in mind because of their minority position. What did they do? I quote again from the letter:

We made a deliberate decision to increase the money supply and we have increased it by over 50 per cent since that time.

Let us get to the result of this action. We realize what has happened. I have sat in on meetings of the committee on consumer credit. I wonder why they really do not know what has caused all this. The governor of the Bank of Canada knows the reason. Here is a quotation I picked out of the Manitoba