

Bank of Canada Act

I would not want to hurt anyone, Mr. Chairman, but we know that it does not work. We know that something is wrong, that the present system does not work, that it gets the workers, the people, the school boards, the provincial governments, the federal government and the whole nation into debt. We are compelled to tax the people and to ask them to tighten their belt.

Our dollar is only worth 40 cents, we find that funny. We find it sound and natural for the governments to sell bonds. The federal government and the provincial governments, at all levels, try to get hold of some money, the blood which runs through the economy, and they leave very little money to finance development. Everything is taken away. When the government puts \$10 in circulation, it takes \$20 back. Then, we are always in the red.

When banks create credit, when they lend us money, they do not lend us the interest on it. We have to reimburse the capital with the interest. Our system stands up as long as the number of loans increases. The interest is not lent to us, and we are required to reimburse more than the amount put in circulation. But we find that logical. The hon. members opposite find that amusing. They find that logical.

• (5:40 p.m.)

One day, they will have to admit that those who explain the present system are right. If you do not understand what we are advocating, it is because you fail to understand the present system. We are not explaining anything other than the present system. It is that system which we are bringing before you in an attempt to make you understand it. This is what you have never understood and that you still do not understand.

You think that because it has been called social credit, it is utopian and foolish. Well, it is the present system, nothing else. Instead of being called social credit, it could be called the present system.

It is the current system that is being explained to you and that is absolutely all. It is the present system which should be improved and for which solutions are sought to improve the economic lot of each individual and of every level of government. And it can be improved, too.

I do not wish to condemn the present system as a whole for it has some good points. But this does not make it any less blameworthy. There are great and good things in the present system and we must

preserve all that. But any useless part should be revamped. Several adjustments should be made and the financial and economic system of the nation should be kept abreast of the scientific progress accomplished not only in Canada but in the world. Financial systems have made great strides, but our own has never been revised; it is as old as Adam and is no longer serving its original purpose.

This does not mean that it is not a basically sound system, but its foundations, the structures which support it are too old and are practically falling apart.

Therefore, the foundations and the structures will have to be reinforced. That is what we must do. We do not despise the system; we do not sweep aside all that was done in the past and all the structures erected in the past. These structures had their uses for a time.

This financial system has not changed; it is old as the hills. It must change. We must introduce the improvements necessary to adopt it to our modern economic structure. That is all we ask. The hon. members opposite find that funny. But they are now laughing in fact at their own system and at themselves. If I am sometimes inclined to laugh with them and at them, it is because they do not want to change their system.

Mr. Chairman, the Bank of Canada is now 33 years old. It was founded in 1934. It has acquired some experience and it has served its apprenticeship. It has now reached its maturity. It must assume all its responsibilities before the community, before all foreign countries and all Canadians, over 20 million of them. It must do so for all Canadian institutions, for our 800,000 dwellings. And each individual, each family, each institution requires money to meet its own needs. The monetary unit is the Canadian dollar printed by the Bank of Canada and bearing the signature of the governor of the Bank of Canada.

Therefore, Mr. Chairman, each individual, family and institution in our country needs the Bank of Canada for self-management. And according to the commonly accepted formula for management one needs a sufficient income, one must provide for the essential expenses and leave room for some profit, for a surplus in the reserves, savings and accrued capital. We are in favour of all that. There is nothing we would like to change in the whole matter. Everyone is entitled to make a living, those who handle capital, those who deal in business, need capital, reserves, improvements,