

Part of the reason is that inflation in Germany has been less than that in Canada. But there is another significant reason. The policy of the German government has been to keep interest rates down, and the policy of our government has been to keep interest rates up. The chief beneficiaries of high interest rates in Canada have been the banks, and this is because the government wanted it that way. The high profits of the banks are the direct result of government policy. The government wants the banks to make more money, and it wants high interest rates because that is how it is trying to control inflation. It is a shameful course. There is a bankruptcy of ideas on the part of the government when this is the only method to which it resorts.

Again I would like to point out to my hon. friends, who seldom miss an occasion to criticize us for our social democratic policies, that though they seem to be so adamantly opposed to socialism one of the remarkable things about their theory is that it is largely Marxist. Major Douglas owed much of what he wrote to the Marxist theory of values, and what he did not owe to Marx he took from Henry George in the United States, who first talked about taxing property. In the early days they could not tax property in Canada because there simply was not enough property around, and my hon. friends should understand this. They should understand that social democrats are not really very different from themselves in terms of wanting to change society. This may be one of the reasons that we sometimes feel quite warmly about our friends to the left, despite the dreadful things they do in some debates. We feel they have a genuine concern about people and that theirs is a sort of grass roots protest.

They look at the world and ask what gives. They say that here we have people who need things and there we have people who want to produce things; why cannot we match them up? They conclude that there is something wrong with the financial system and say that it should in an adequate and intelligent way be changed to meet the needs of people. There can be no quarrel with that. It is not a cause for laughter by the financial dinosaurs of the two old parties who have not had an original idea since Adam Smith.

Unemployment should not be a natural condition of our society. Unemployment should be an unknown word in our society. The natural condition should be full employment and a scarcity of resources, where we get to the stage when there will not be enough

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people to do the job and they will not have enough resources to do the job. When a country like Canada creates unemployment and does everything it can to dissipate its resources, it is flying in the face of what the Canadian society really wants. It is deliberately obstructing the desire of our economic system and of our people to move ahead. We will have to deal with Social Credit theories for a long time to come—

Mr. Speaker: Order. Hon. members will be sorry to learn that the hon. member's time has expired, unless he may continue with the unanimous consent of the House. Is there unanimous agreement?

Some hon. Members: No.

Some hon. Members: Agreed.

Mr. Speaker: There does not appear to be unanimous agreement.

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, first of all I should like to thank the member for Waterloo (Mr. Saltsman) for having said quite frankly that he has confidence in the Social Credit theory. In fact, he recognizes having studied the monetary question although he claims there are certain points he does not know. This is not surprising, in view of the fact that to understand well the Créditiste theory one must first understand the present system.

That is precisely what is not understood and we have an excellent proof of it since yesterday morning when all the provincial premiers, and the Prime Minister of Canada met two or three blocks away from here, to discuss how public funds should be spent. They do not agree, for the provinces would like to have more spending powers. The federal government, on the other hand, feels that they have enough powers as it is, and that it should keep what spending powers it already has, and even increase them.

Spending is not to be scaled according to the production capacity but rather to the taxing powers.

● (9:00 p.m.)

Taxing powers are very limited indeed whereas production powers are practically unlimited. In fact, our Canadian citizens can buy according to their income. When they have spent all their money, they simply go to a finance company and borrow in order to buy more. After they have borrowed from