

Supply—Finance

Bank of Canada experts and the parliamentary assistant to the Minister of Finance.

I do not suppose the minister would want to answer the second question, but let us go over it again. Notwithstanding the Bank of Canada Act and the Bank Act of Canada, it would be feasible for this parliament to pass an act similar to the Finance Act of 1914, under which \$26 million were created and spent in world war I by the treasury of Canada without the banks having anything to do with the creation whatever, the passage of such act having the effect of granting the treasury of Canada the power to issue state dollars now, without debt or interest, and spend those dollars into circulation, would it not?

If the minister can say "no" to that, I am ready to give him a chance to say so. What is being asked for in that question is clear. Before the Bank of Canada was created in this country, the treasury of the Dominion of Canada had the authority and the power to create money and spend it if they chose. What we want to know is whether or not the Bank of Canada was a device for stealing away from the treasury of Canada that power to create money and spend it. Was it a means of putting that power inside an enclosure and locking it up so that no naughty government could get at it? That is what we want to know. The next thing we want to know is whether the parliament of Canada and the government of Canada has the courage, in the face of the Bank of Canada Act, to pass in 1951 or 1952 a finance act like that of 1914, giving the treasury of Canada the authority to print debt-free dollars just as it had the authority under the finance acts of 1914 and 1923.

Now, that is just as clear as ABC. No question like that has been asked during the time I have been here. I have not asked any such questions. I have been working since April 19 this year right up to the very point we are standing at today, so that I could ask these questions. The evidence is all on *Hansard* concerning each answer.

On April 19 I told the Minister of Finance that I would expect him to be able to answer these questions. There is no difficulty in saying yes. Has this government of Canada today the right to pass a finance act of 1914? Has it the power? Does it dare to use the power? I would say that if all that has been said about the independence of the government from the Bank of Canada is true, the government certainly has the power, and it ought to have the courage to use the power. If it passes a finance act in 1951 like the finance act of 1914, then this government of Canada will have the unquestionable authority to print the money independent of the banks, and use it for any purpose it chooses. It could

[Mr. Blackmore.]

use it for paying for any services which the government needs, granted an adequate supply of goods is on Canadian markets. If the minister has any argument against that position, now is the time to make it.

Just a few moments ago the parliamentary assistant said that if we started printing money in Canada a lot of other countries would begin to worry about it. I should like to know how serious that is. Have we reached the point now where this nation has not got the authority and the freedom to do what it could do in 1914? Have we reached the point where we would not dare pass a finance act like that of 1923, and use it? If the answer is yes, let us just find out why and set about rectifying the situation. If this nation is not as free in 1951 as it was in 1914, it is time everybody knew about it. Judging from the fact the minister makes no comment, I shall assume that the case is established in respect of question 2. The answer is unchallengeably yes.

With regard to question No. 3—incidentally I sent a copy of these questions to the member for Greenwood.

An hon. Member: You answer them.

Mr. Blackmore: I shall send a copy of them to anyone else who wants one. I shall say a word or two now illustrative of the significance of this question. We have listened to several debates about housing in this country. The last time we heard about housing we were told that we could not get the money, and the interest rate was very high. If we could use the finance act of 1914 or 1923, modernized for 1951, look at the difference it would make to the matter of housing in this country granted we have ample production. The same would be true throughout the whole round of our national interests, as finance affects them.

I assume that everyone in the committee is ready to grant that the answer to question No. 2 is "yes". That is right—the answer to question 2 is "yes".

Mr. Riley: Why don't you get Alberta to print a few?

Mr. Blackmore: The trouble is that Alberta has not got the authority to create money, under the constitution, because the British North America Act places all matters pertaining to banking, currency, the creation of currency and coinage, in the hands of the dominion government. Someone says it is a blessing. It is also a calamity to have that power in the dominion's hands if the government of Canada is not going to use it.

Mr. Riley: Why not introduce a bill?

Mr. Blackmore: Let us establish the principles first. What is the use of introducing a bill until one establishes the principle?