

of money which has been distributed to the people of Great Britain through the production of armaments has raised the standard of living for the whole country. So that if the government financed these old age pensions in part by the creation of additional credit, which of course is the way in which these munitions are financed, not only could the rest of the people afford it but we would all be very much better off.

Of course people will say that would cause inflation. But in Great Britain in recent years they have spent thousands of millions of dollars on rearmament and there has been no serious inflation, so I fail to see why it would necessarily follow that if we distributed some extra purchasing power in this country there would be any danger of inflation. I know that is the bogey which is always trotted out if anyone suggests a little financing which is not quite orthodox. We are all supposed to be frightened at the word inflation. But there are means of avoiding inflation, and I am quite sure that we could very well deal with that if we had to. It is true that in the financial sense the people of this country and of all countries are overtaxed. It is not likely that they would be ready to agree to more taxation and more work. If people have to work it is poor treatment to bleed them at the same time. What they need is not bleeding but a little blood transfusion, a little blood pumped into them. If we could pump a little money into the people's pockets, we would all work better and be healthier and better off.

It might be said that old age pensions financed in that way would be in the form of a dividend. That, of course, is exactly what it would be. I gather from remarks made here a few days ago that to mention the word "dividend" is to lay oneself open to the charge of political corruption. Well as one who was accused of the gravest political corruption in the history of Canada let me take the opportunity of saying a few words on my own behalf. I do not think hon. members on the other side realize the true state of affairs in Alberta. The facts are that the people themselves were discussing monetary reform for some years; they formed study groups, and you cannot wonder, considering that they were getting five cents a bushel for their grain and next to nothing for their live stock. The more they studied monetary reform the more enthusiastic they became. They organized themselves in constituencies and when the time came they held conventions and nominated men to obtain what they wanted. The demand came from the people, not from those who have been

described as cheap politicians going out promising this, that and the other thing to get the people's votes. The people demanded that these things be obtained for them, and if a man accepted nomination it was on those terms. And the people have the remedy in their own hands; if those results are not obtained, they can at the next election turn these men out and replace them with others. That surely is democracy. Our election expenses were financed with nickels and dimes. My own personal election expenses were under \$50, as the clerk can tell you. I think it was \$37 I spent on my election, my personal expenses.

Mr. DUNNING: You can never run one as cheaply as that again.

Mr. PELLETIER: Not with the example we are getting.

Mr. JAQUES: That remains to be seen. Possibly I may not run again. Anyway I do not think you can say that \$37 is an excessive sum to pay to obtain people's votes.

The fact is, Mr. Speaker, that as you travel among the people of Canada you find that people are not satisfied. Of course I have this advantage over the elder statesmen, in that I probably hear the truth, while they possibly do not. The people are a long way from being satisfied. It is not a case of Liberals or Conservatives. Parliament itself is on trial. The people are getting tired of electing representatives in a democratic way and getting nothing for it but further taxes. One thing is certain. If they do not obtain better results than they have been obtaining in the past their faith in parliamentary government will grow less and less. I should like to read a quotation from *The Art of Central Banking*, by Mr. R. G. Hawtrey, who is a secretary to the British treasury. He says:

The common factor in pre-war, and post-war, experience is the intimate association of the state of trade with the enlargements and compressions of consumers' income and outlay effected by central banks. If this fundamental causal sequence were understood, the public would hardly acquiesce in the central banks proceeding from their position of complacent detachment to generate depressions, unemployment, bankruptcy, budget deficits and defaults, with all the resulting political and social convulsions while government after government is broken because it can neither stem the flood of ruin nor even provide tolerable palliatives to alleviate the consequences.

That was written not by a social creditor but by an orthodox economist, who is a secretary to the British treasury. We see the way things are going in Europe. The trend is all towards dictatorship. Parliament, as I