

*Bank Act*

country is prosperous while the Prime Minister and other members of the Government are telling us that there is poverty and destitution in Canada.

Workers, brains, materials required to provide the development of our national economy are available. Let us take, for instance, the decision regarding the building of another seaway at the cost of \$500,000,000. Such a decision will be taken regardless of financial considerations. Since we have the necessary workers, brains and materials, the part to be played by finance should be to serve, not to make decisions.

Now when the Minister of Finance wants to do something for his country, Canada, he is obliged to kow-tow before the financiers and ask for their permission. It is rather unseemly for the Minister of Finance of a sovereign government which is master in its own country, to grovel before the financiers and beg their financial permission to do something, to make financially possible the limited development he is trying to do in this or that region of Canada. The decision will be taken independently of finance; its role will be to serve and not to decide.

The construction of that seaway has been decided because it fills a need and because this production will not affect adversely the production of other consumer goods. Here is a group of companies which offer to build that seaway for \$500 million. They buy the material, supply the machinery, pay their employees, even an interest to the bank on the money borrowed for that purpose.

Let private enterprise borrow from chartered banks, I have no objection. But for the Government to do so when it can resort to the Bank of Canada, no. That is what the Creditistes are fighting for throughout Canada.

You may say that this is stupid. For instance, let us consider the St. Lawrence Seaway. Once the work is completed, the department concerned, after the engineers have established the probable duration of the Seaway, according to the use to which it will be put, and the wear and tear to which it will be submitted, then the department charged with inspecting government works will issue a cheque in the amount of \$500 million. Where will the government get this money from? From the Bank of Canada? From the source of the financial credit of Canada?

● (9:10 p.m.)

Will the government contract a debt toward the Bank? Not at all, because the Seaway will be an asset created by the people of

Canada, by those who have contributed directly or indirectly to its construction. The people of this country cannot run into debt regarding its own production. If the Seaway had been built in the United States by the Americans, Canada would have incurred a debt toward that country. But in a sound financial system, a national debt, together with the interest it carries, can only be owed to other countries, when our imports exceed our export.

But there may be a danger of inflation, people will say especially during an electoral campaign, when the Liberals always charge Social Credit with creating inflation, while it is caused by their own system. When the Government must pay \$1,103 million in interest on the national debt to chartered banks and to other financial institutions outside Canada, this causes an increase in prices throughout Canada. That is true and real inflation which does nothing for the economic development of this country.

Would not this policy lead us to inflation? The Creditistes say that Canadians have nothing to pay for building the St. Lawrence Seaway, which is its own production. But they will have to pay for its achievement, its use, and its depreciation. And this in accordance with one of the basic principles of Social Credit: Every new production must be financed by new credit, and the withdrawal of these credits must be accompanied by consumption at the same speed of consumption or disappearance of created resources, or of their depreciation.

It seems to me that an intelligent person is able to understand that through such a technique inflation can be avoided; but, instead, inflation is created through the present system.

Assuming that the St. Lawrence Seaway depreciation is achieved after 50 years, and that we should then build another one, the annual depreciation, destruction and consumption will therefore take place at the rate of \$10 million a year, which the government will have to seek from the consuming public, users and others; those \$10 million will be returned every year to the bank to be cancelled. But on the contrary, some rather unscrupulous politicians will try to make believe, especially during election campaigns, that Social Crediters will bring about inflation.

Since a product can only be consumed once, its consumption must only be paid for once. The consumer of bread or milk pays the price shown only once. The same applies to the goods of public capital. It is only through