

Use of Bank of Canada to Ease Tax Burden

that the small businessman, small farmer and small entrepreneur will not be taxed out of business. Bigness alone in business is not a virtue.

I am surprised that those who purport to have taken over the mantle of Sir Wilfrid Laurier should try to outsocialize the socialists in introducing give-away programs. There is no such thing as a give-away program. You can only give away under such programs what does not belong to you, namely, the wealth that has been earned by others. You take wealth from those who have earned it and give it to those who have not earned it. It was the policy of the right hon. member for Prince Albert and Hon. Michael Starr that every worker in this country should carry his part of the burden. When that is done our budgets will balance. A biased press and other biased media of mass communication were influential in persuading the uninformed part of the public that we had made a colossal mess of running this country. That was nonsense. We inherited the mess. Anyone examining the facts will see that what I have said this afternoon is the gospel truth. Mr. Keynes, who is the keystone of socialistic economics may be—

• (4:30 p.m.)

The Acting Speaker (Mr. Béchard): Order, please. The hon. member for Etobicoke has a question.

Mr. Gillespie: Would the hon. member permit a question?

Mr. Bigg: Yes, I would be delighted.

Mr. Gillespie: Would the hon. member tell the house in what years during the Diefenbaker regime the unemployment rate was lower than it is today and in what year the Diefenbaker government balanced the budget?

Mr. Bigg: The budget was balanced in 1963. A budget cannot be balanced immediately on takeover. I am talking about the general trend of economic development. I am generalizing on the theory of the government and the current trend. I suggest to the minister it is time we took a good look at the general plan. I would like to know whether the government is setting the fiscal policy of Canada through the minister or, as the socialistic critics say, is merely the tool of the banks. I do not believe that.

The government of Canada has the power to set fiscal policy. The Bank of Canada is nothing more than a rubber-stamp of parliament if we so want it to be. It is the creature

[Mr. Bigg.]

of parliament and cannot operate without our authority. We have full power to do anything we like and, if necessary, we should do it. No piece of paper should come between this house and the welfare of the people of Canada. If the minister can show clearly that the Bank Act or the terms of reference of the Bank of Canada come between Canadians and their welfare, we are quite willing to amend the Bank Act. The removal of the ceiling on interest rates was effected in good faith, although I am not sure whether the result was good or bad. The cost of living was not lowered by this action.

I am not at all sure that by allowing money to be at an interest rate of 8 per cent or 9 per cent and making more money available we will eliminate those who charge 18 per cent or 30 per cent interest. At one time it was impossible to borrow money unless one went to the "skin market". I like to think some people make a good living from financing. People who charge excessive interest on mortgages, cars and many of the necessities of life could now lose their businesses with money available at 8 per cent or 9 per cent interest. If this is not so, we should study the financial structure of Canada.

The possibility of the government and the Bank of Canada lending unlimited sums of money to finance municipalities should be approached with caution. Municipalities and provinces can overspend their budgets. If the provinces were offered loans with a very low or incentive rate of interest, a colossal provincial debt could result. I do not agree with hon. members who suggest that unlimited credit should be extended to the provinces. Possibly the experts could ascertain that they are not being charged unnecessarily high rates of interest.

I believe it would be safe to lend the rich province of Alberta large sums of money for education, resource railroads or even medicare. If the people of Alberta want medicare and wish to enlarge their capital expenditures for hospitals and the training of nurses, the province may wish to borrow large sums of money. If money were lent to them at extremely low interest rates or without interest then necessary spending would be encouraged. To discourage necessary spending would be to close the gate on one side of the barn and open the gate on the other.

The government is responsible for fiscal policy and I hope this government will stop the trend toward socialism. There must be a reawakening by the government and by the Canadian people. It is not necessary for the