

Supply—Finance

of Finance has been wrong all these years in not having carried forward the proposals that we have placed before the house so often, the financial policy which I still believe is sound, and not only sound but absolutely essential if this country is ever to realize its potential.

That is all I want to say this afternoon. I will merely close with this statement: Surely it is no more than we can rightfully expect that the minister will agree, when the bill is before us in the fall, to enter into a real debate on fundamental financial policy. I should like to have the hon. member for Greenwood enter into that debate. I am sure he would, and let us make it a good one. If the Co-Operative Commonwealth Federation members who sit to my right should demand a debate on the question of government ownership of the means of production they would have a debate on their hands, right away. I say that we are just as entitled to recognition of our contentions as any group in the house. All we are asking is that people do not shrug this question off but engage in a real debate, get down to the fundamentals, and when we have finished either they will be able to say truthfully: "We have answered your questions, we met you on fair ground and we believe we vanquished you," or, in the alternative, "You have vanquished us."

Mr. Blackmore: Mr. Chairman, the parliamentary assistant made the kind of speech that I expected he would. He just covered the whole matter with red herrings so as to take attention off the questions that were asked. The only approach to this question which was asked the minister the other night was this question: Was one of the dollars of the \$26 million created by the finance department of Canada between 1914 and 1917 under the Finance Act of 1914, and spent into circulation, sound? The minister knew perfectly well that he could not say "no" because the dollar was created under the Finance Act of 1914. And he did not like to say "yes".

He hesitated like the girl who could not make up her mind whether or not to accept a suitor. Finally he said it "probably" was sound, which was sidestepping the whole issue. Sidestepping that vital point is just not good enough for a nation suffering excruciating misery because of the faulty financial policy under which it is being governed. It is just simply not enough. The hon. member for Peace River says that this group has a right to have its questions answered. The people of Canada also have a right to have those questions answered.

The first question I ask is very simple. It is easy to say whether the answer is yes or no. The question was with reference to

a dollar created today by the treasury of Canada without debt or interest, and spent into circulation, much as was each of the \$26 million created by the treasury of Canada during world war I, and spent into circulation. It is not money to be taken out of the Bank of Canada, mark you; it would be created by the treasury just as the \$26 million were. Such a dollar would be a sound dollar today, provided there were in Canada enough goods for such a dollar to "chase", would it not?

I believe it was pretty well agreed by the minister on the night of the 20th of June that what caused real inflation was having too many dollars chasing too few goods. Later on I said that I reasoned this way, that if you have too many goods being "chased" by too few dollars you would have a depression. That is what occurred in 1929, 1930, 1931, 1932 and 1933. Now, if you have just the right amount of dollars "chasing" the right amount of goods, you should have neither a depression nor an inflation. What is asked for in this question No. 1 is simply this: If there were enough goods for the created dollar to chase, would that created dollar be sound? The answer is either yes or no, whether the dollar was backed by gold or by securities or backed only by the credit of the Dominion of Canada.

Now, the answer is "yes", Mr. Chairman, the answer to question No. 1 is "yes". I defy the minister and all his experts to prove that it is not.

Mr. Riley: Give him time.

Mr. Blackmore: We shall give him time.

Mr. Riley: Three months.

Mr. Blackmore: Then, in three months we shall have the same difficulty all over again. Now is the time, now is the hour to answer. The answer to question No. 1 is yes. The minister cannot say anything to gainsay what I have said. I am not going to take the trouble here to prove it; I have proven it already in the speeches I have given. There was one on May 1, on Canadian financial policy, reviewing what was done in world war I, and what was done in 1932 under the Finance Act of 1923. Then there was the talk that I gave on the greenbacks, and the one I gave on June 20 on the Bradbury notes issued in Great Britain. All those illustrations indicated quite clearly that a one-dollar bill created by the treasury, independent of the banks, would be sound if there were enough goods in this country to justify putting that dollar into circulation.

If there is anyone in the committee who wishes to challenge that remark, let him do it. Otherwise, I am going to assume it is proven, right in the presence of the great