

shall trade, and on what terms; unchallengeable sovereignty over her financial system with power to determine what she shall use as money and what shall be the credit system both for production and consumption; what shall be the price structure in Canada, and how those prices shall be determined, stabilized and maintained; unchallengeable sovereignty over the form of government which she shall use; unchallengeable authority or sovereignty over her legislative, judicial and executive system, over her defence system and over her educational system.

May I pause just to comment, for the benefit of a good many hon. members who, in my judgment, have expressed somewhat reckless enthusiasm for the united nations, when they have spoken in the house. It would be well for them to think right through this whole situation before taking precipitate action in connection with international organizations, and the surrender, in part, of this nation's sovereignty.

If she is to discharge her "human rights" responsibilities, there are several fundamental principles upon which Canada or any state ought to base her way of life domestically. Let me name five of these fundamental principles.

First: Her institutions should be democratic. We should have ministers and officials—including commissions, may I point out, and also emphasize—who will be not only responsible to the people and to parliament but sensitively responsive to the will of the majority, with the will of minorities deeply respected by the constitution, as well as by law and by institutions—conditions which, I fear, we are rather far from at the present time.

Second: The state should have decentralization of its political government, of its industry and of its financial control. In all of these respects the Dominion of Canada is today in more or less large measure deficient. To those who argue for centralization of power and more or less weakening the autonomy of the provinces, let me commend this principle to their consideration.

Third: The state should be founded upon the basis of individual enterprise—individual enterprise, stimulated to abundant production by an equitable profit system, by the right to own property, the right to save fair earnings, and the right of bequeathing property to heirs.

If I might stop just for a moment to discuss this question I would urge upon every hon. member, socialistically inclined and otherwise, that production in a state can be accomplished by only two devices. As the London *Economist* well illustrated it, we must

[Mr. Blackmore.]

use either the carrot to tempt the donkey forward or the stick to drive it forward. What is happening at the present time, under the guidance of the Liberals, is, in large measure, and under the urgent pressure of the C.C.F., to destroy the carrot.

Mr. KNOWLES: We think Canadians are more than donkeys.

Mr. BLACKMORE: It will not be very long until they will be as stupid as donkeys if politicians keep on as they are doing now. The government is utterly destroying incentive in the country.

Mr. KNOWLES: We think they are human beings.

Mr. BLACKMORE: I am making my speech, and if anyone has any argument against what I am saying, I am quite capable of speaking for myself.

My stand is that we must be exceedingly careful not to destroy the incentive for production in this country. Otherwise, in one of the most wealthy countries in the world, we shall find it almost impossible to get that degree of production which is necessary to ensure an abundant standard of living. That condition, I fear, has already developed in some states, and is developing in others.

Fourth: In order to guarantee these freedoms, the state should use a debt-free economy based upon debt-free money, for consumption, as well as debt money lent, as at present, for production—debt-free money which would enable the government to be free from the control of financial institutions, debt-free money which would enable the state to render the resources of the country available in the form of goods and services; and to render the goods and services financially available, first, to the state's own people, and then, to the peoples of other lands.

Fifth: The state's way of life should be based upon the principle of economic self-sufficiency, stimulating adequate varieties and quantities of production by wisely beneficent defence of home industries, through price adjustments in favour of home consumers.

There will be plenty of people in parliament and throughout the country who will not agree with that statement. I can see now the Prime Minister (Mr. Mackenzie King) rising in his place in this house at various times since I came here in 1935 in order to declaim against the iniquities of economic nationalism. I do not know exactly what he had in mind in respect of economic nationalism; but my general approach to this problem would be this: that the more nearly a state comes to produc-