

The Address—Mr. Rondeau

take \$8.5 billion out of the pockets of Canadians on the short or the long run and give him \$5 today. You take \$30 away from him to give him back \$5. Mr. Speaker, the left hand of the Minister of Finance is quicker than his right hand with which he gives. His right hand is paralyzed because it is distributing \$5 while the taxpayer is being deprived of \$30.

The fiscal system in Canada performs better and faster than the job creation system. More money is taken out of circulation as taxes of all kinds than invested. When the banks, for instance, loan \$10 million they are repaid \$20 million after six and a half years. How is it possible to repay \$20 million if the loan is \$10 million only? This is mathematically impossible. According to orthodox economists, it is a simple enough thing to borrow \$20 million after six and a half years to repay the original \$10 million. But the \$10 million original debt that has become \$20 million after six and a half years will become \$40 million in another six and a half years. This means that within 13 years a \$10 million loan will require four times the initial amount.

This is the type of system that has created and is still creating inflation. Workers are being insulted, everyone is being insulted, everyone is victimized but the true culprit, the financial system that puts \$10 million in circulation and gets \$40 million after 13 years. This automatically creates inflation, pushes prices and wages up, and puts us outside international competition.

In the remaining few minutes, I would like to say a few words about inflation, that legalized theft. Our ancestors had to cope with a lot of law-breaking citizens. One of the most popular crimes was coin clipping. As far as we can go back into history, this was a serious crime, so much so that convicted clippers had their hands cut off, both as a punishment and a deterrent from future wrongdoing. Such was the way to rob individuals.

At that time, nearly all coins were made of metal and devaluation was achieved simply by reducing the size and weight of the coins whatever they were: pounds, crowns, florins, shillings or pence. All things considered, the result of this was inflation of the type produced by our present vast devaluation operations.

In a free society like ours, every blow to currency is serious because it affects the way of measuring the value of exchanges between men, which is the very basis of our economic life. If we were to give the same punishment as in the old days to those who are responsible today for devaluation or inflation, I think, Mr. Speaker, that we would have to cut off the hands of most members of this government, including the Treasury Board, the Minister of National Revenue, the Minister of Finance and other officials both on national and regional levels. The persons who are responsible for the devaluation of the currency we use in our everyday life are those very same people we elect and hire to govern us. Certainly the union leaders, who every year set in motion the same old mechanism by exerting pressures to get higher wages for union workers, are also part of this group.

[Mr. Rondeau.]

This coming winter, Mr. Speaker, we will have more than 1.5 million officially unemployed people, which really means at least two million people who are actually unemployed. Also these figures do not include welfare recipients, all those people who are not formally registered as job-seekers. Unemployment is on the increase and will continue to increase because our present monetary system is so designed. Inflation is on the increase and will continue to increase because the monetary system is so designed. Deficits are on the increase in all areas, as evidenced in the budget. In the 1976-77 budget, our deficit will be close to \$8.5 billion. What that boils down to, Mr. Speaker, is that in less than three years we have accumulated an international deficit of \$40 billion.

At the present time, our trade deficit is \$30 billion. Still we won the war while West Germany lost it and built up a surplus of exactly \$40 billion. We won the war and we have a trade deficit of \$40 billion. Germany lost the war and has a surplus trade balance of \$40 billion.

Mr. Speaker, this means that when we are told that the methods are obsolete, the high unemployment and inflation rates show clearly that the economic methods of a less complex period are not doing anything more today. We deplore the evil. We begin to realize that our systems are obsolete, that they are outdated but there is no solution and we continue in the same system.

Peter C. Newman, a distinguished Canadian reporter wrote in chapter 3 of his book, *The Canadian Establishment*, what Social Crediters have been saying for 35 years, and I quote:

● (2142)

[English]

Administering more than a hundred billions in assets the men who run Canada's banks rule the nation's economy. They decide who will succeed and who will fail acting as arbiters of the system—the fiscal father confessors of us all.

[Translation]

While people are getting thinner and running into debt, banks are growing fat and thrive. Mr. Speaker, while we are racking our brains, looking at inflation, unemployment and deficits both inside and outside Canada, there is an organization in Canada which does not make any deficit, where the average interest rate was 6 per cent in 1968 while it reaches a high of 12 per cent today.

[English]

The Acting Speaker (Mr. Turner): Order, please. It being 9.45 p.m., it is my duty, pursuant to Standing Order 38(3), to interrupt the proceedings and forthwith put any question to dispose of the subamendment which is now before the House.

The question is therefore on the amendment to the amendment (Mr. Broadbent). Is it the pleasure of the House to adopt the said motion?

Mr. Knowles (Winnipeg North Centre): Carried.

Some hon. Members: No.