

Dominion-Provincial Conference

institutions, its own creatures—for the money required for the general benefit of the country. This is beyond understanding!

Créditistes state that before borrowing from private banks and from outside the country, the government should first of all get from the Bank of Canada the money it needs from time to time, in addition to the tax revenues, to help finance Canadian development, particularly in the public sector. Why, in fact, should Canada borrow from chartered banks and afterwards tax the people to pay for the interests, while it could obtain the funds (without interest) from the Bank of Canada, which is a public institution established by parliament to regulate and control the circulation of money and credit in Canada?

In his report to the Twentieth Century Fund on economic problems in the United States, Stuart Chase, on page 105 of the book "Where Is the Money Coming From?" quotes the National Resources Planning Board as follows:

The day when the charges on the federal debt will become oppressive, we shall have to think seriously of creating through a modern banking system and our Treasury institutions a debt free from interest.

On the same page, Stuart Chase adds:

If the government borrowed only from its own central bank, without interest, there would be no interest charges at all. There would be capital redemption and the principle that too much money must not be introduced in the system would be safe.

This is exactly what Créditistes have been claiming for several years. A study of the history of Canada over the last century, reveals that new borrowings do not help pay off the debt. It must nevertheless be paid back. Interest rates must be reduced. This could only be done by replacing gradually our interest-bearing indebtedness by some money obtained at the "cost price" from the Bank of Canada.

These are, Mr. Speaker, concrete solutions to the economic problems of the provinces and the country, for which we would like to hold our constitution responsible, that constitution that we have been hacking up today, for the purpose of making the dollars more elastic, of allocating them among the provinces.

I have in hand another article which shows beyond doubt that Canada is not faced with an economic problem, in view of its wealth, but rather with a financial problem.

I also have a newspaper clipping which shows the kind of prosperity that not only Canada, but also several other countries of the world, would enjoy were the riches more evenly distributed.

The author is referring to the spending done by different governments throughout the world, following the 1939-1945 war.

[English]

Every family could be provided with a \$24,000 house and \$8,000 worth of furniture, plus a cash bonus of \$40,000 throughout the whole of Great

Britain, U.S.A., Russia, Canada, Australia, Ireland, France and Belgium.

I continue:

In addition, every city of over 200,000 people in all those countries, could be given cash grants of \$50 million for libraries, \$50 million for schools, and another \$50 million for hospitals, had the money spent by these countries for military purposes between 1939 and 1946 been devoted instead to community and private development.

[Translation]

Mr. Speaker, if, during the war, we were able, and other countries were able, to spend an average of \$24,000 for the war, we could have given a \$24,000 house to each citizen in all those countries.

We could have given \$40,000 in cash to some citizens of those countries. We could also have given \$8,000 worth of furniture to each one of them. We have spent that much during the war. There are statistics to prove it.

Today, because this is no longer wartime, the provinces are divided, there is disagreement between them, they are like ten dogs fighting for a bone. There is fighting around the taxation platter.

I suggest, Mr. Speaker, that there is no solution, even if we were to change our constitution. Even if we achieve those reforms seriously, even if we do not allow the provinces to discharge economically their responsibilities, as clearly stated in the constitution, we will keep quarrelling, and having federal-provincial conferences without getting more results than what we had this week.

Mr. Speaker, I would like to end my comments with an explanation of the economy. I borrow it from a president of the United States who has been considered—and rightly so—as one of the greatest: Abraham Lincoln. He said, and I quote:

● (3:20 p.m.)

[English]

Money is the creature of law, and the creation of the original issue of money should be maintained as an exclusive monopoly of the government. The monetary needs of increasing numbers of people advancing towards higher standards of living can and should be met by the government. Such needs can be served by issuing national currency and credit through the operation of a national banking system. The circulation of a medium of exchange issued and backed by the government can be properly regulated and redundancy of issue avoided by withdrawing from circulation such amounts as may be necessary, by taxation and otherwise.

Government, possessing the power to create and issue currency and credit as money and enjoying the right to withdraw both currency and credit