

The Address—Mr. Thompson

money in the country is \$4 billion short of being able to match the increase in our debt in the last five years at all levels.

This total debt of Canadians stands at approximately \$34 billion, on which we pay more than \$2.5 million of interest every day of our lives. Even more alarming is the rapidly increasing cost of government at all levels, which tells us that under present policies this debt load will continue to increase, regardless of which of the two old-line parties governs the country. In fact, it will increase faster if we go back to a Liberal government because of the promises we heard about, the implementation of which would add up, as we have been told, to more than a billion dollars in extra spending.

What causes the concern today, gentlemen, is this: If you add up all the money Canadians earn and add up all the money that governments in Canada spend, approximately 45 cents out of every dollar is paid by the people who earn those dollars back to the governments which render them their governmental services. The record of history and economics tells us that no empire or nation in the past has survived as a free society when more than half of the income of its people is required to meet the cost of its government. Facts and common sense tell us we cannot continue as we are going if we are to maintain the free way of life. It is impossible and futile to believe that the perpetuation of the policies which created and promoted the growth of this malignancy will cure the condition. It was the Greek philosopher Demosthenes who asked: "Are you so unintelligent, men of Athens, as to hope that the same policy that has brought our state from success to failure will raise us from failure to success?"

This debt system is today destroying the very basis of our democratic institution and the initiative and enterprise of our people. Most definitely it has weakened the confidence of Canadians in their own economy to the extent that we are today content to invest our savings in the debt of our deficit financing rather than in the development of the resources which we have in our country. More than half of all the money in Canada is tied up in such "dead" investments as savings accounts in our banks or trust companies and debt investments in Canada.

If we had the confidence that we should have as Canadians in our own Canadian economy, then our savings would be put to work developing our country and its resources in order that we might have a higher standard of living. Money is the only medium to which our production can be distributed, that is money including currency and credit.

[Mr. Thompson.]

As our economy grows, there is need for a corresponding increase in the amount of money. However, the tight money policies of this present austerity program, along with the unreasonably high interest rates which we are paying on everything on which we have to pay interest, will only perpetuate an ever-worsening situation. The pre-requisite of a balanced economy is the supply of purchasing power sufficient to distribute production. This we do not have. As a result, our economy is depressed and progress prohibited.

I realize that this house has many hon. members with long years of political experience. There are likewise those with great academic achievements in the field of economics. I make no claim to either of these qualifications. However, perhaps as a continuing student in the graduate college of practical economics and sound business, I am able to give some practical advice. One of the first lessons I myself learned in the hard cold facts of this school I am talking about can be summed up in this way—if your outgo is more than your income then your upkeep will be your downfall. How can you ever eliminate debt through the incurrence of more debt?

I commend the government for saying the budget must be balanced. It was the chief criticism of the speech from the throne by the aspiring member to the vacant chair across the house, who criticized the government for aiming towards a balanced budget. If prosperity depends upon plunging this country into further debt, if a continued load of debt is our only destiny, then it would be better to throw in the towel now to the proponents of statesmen and let each individual become a bondservant of the government, rather than prolong the agony of a slow death. However, I am convinced that this need not and shall not be our destiny.

There is a way of progress and we must adopt it ere it is too late a way which will let every man have security without debt and still have the guarantee of his personal liberty and freedom. This way is social credit. When we talk about a balanced budget I wonder what right the government has to state this as its objective when, during the last five years, it has created greater deficits than were created in any similar period in the history of our country. The debt increase in Canada from the period January 1, 1957 to June 30, 1962 totals \$18,990 million. Our overseas debt is \$6,988 million. Federal government direct and guaranteed securities add up to \$3,060 million. Provincial direct and indirect debt amounts to \$2,402 million. Municipal direct and indirect debt stands at \$2,348 million. Consumer debt, and this includes