year; development in many areas of Canada fell off seriously and soon came to almost a full stop in several areas. Our municipalities, school divisions and provincial governments were forced to either completely curtail their present projects or go into the money markets of the United States to borrow to fill their money needs.

The tight money policy which started in 1955 has unquestionably been a miserable failure. Let us take a look at what has definitely happened in those two years in the three important things Mr. Coyne's policy was supposed to have accomplished. I remind you that it was supposed, in the first place, to curb the rising cost of living. Has it done so? Well, in September 1956 the consumer price index stood at 119, and today it stands at 122.6, the highest in history, and it continues to go up. Unless something is done about it, Mr. Speaker, I predict that within a year it will stand at 125. The fact is Mr. Coyne's policy, rather than curbing living costs, has actually built into our economy definite inflationary trends, some of them on a long-term basis.

Consider for example, if you will, the serious increase in mortgage interest rates. The family man who tries to provide a home today finds that as a result of the credit restrictions and tight money policy he must contract to pay higher interest rates, not just for one year but over a period of 15 or 20 years, no matter how interest rates may go down in the next few years. That is what I call built-in inflation over a long period of time. What strikes many people as very odd about this whole situation is that prices go on rising in spite of the fact that industrial and business inventories have been accumulating at a rapid rate over the last two years. There have been very few commodities in short supply, except money and the will in high places where policy is made to tackle the problem in such a way as to help the average citizen. Mr. Coyne's policy has been a miserable failure too, so far as reducing the cost of living is concerned or even in curbing the rising cost of living index.

What about the second thing Mr. Coyne's policy was supposed to have accomplished, namely a reduction in our adverse balance of trade? Since the tight money policy began in 1955 our adverse balance has more than doubled, and so the tight money policy has been a miserable failure in this branch also.

What about the third reason for Mr. Coyne's policy? How has it operated in connection with consumer debt since 1955? The governor of the Bank of Canada expressed grave concern two years ago over the tremendous increase in credit buying by Canadian people. If I remember my figures correctly, in 1955 consumer debt brought on by credit buying by the people of Canada stood at about $2.2 billion. Today it stands at no less than $2.6 billion which is a good $400 million above the figure for 1955. This simply means, Mr. Speaker, that the people of Canada have had to mortgage future incomes to the extent of $2.6 billions in order to satisfy present needs and wants out of the great pile of production already in existence and crying for a market. I say that nothing emphasizes quite so much as this fact the imperative need for a new approach to our whole financial policy in Canada.

We Social Crediters have that approach. Our financial policy can solve this problem and can make completely unnecessary the tight money policy. It must be evident to hon. members of this house that Mr. Coyne's policy has failed all the way along the line. In fact it has intensified inflationary trends rather than reduced them. I remember back in 1955 that one of the reasons given by Mr. Coyne for initiating the policy of credit restriction was a claim of insufficiency of labour in Canada. I think it can be safely said that the framers of the policy cannot use that argument now, because the dominion bureau of statistics reports that today the registered unemployed labour force stands at 174,000 individuals, and it is growing daily.

We are charging Mr. Coyne with foisting upon Canada a policy of foolish restrictions just at a time when our chief competitor, Russia, is going all out to expand all the way along the line. This in our judgment puts us in a very dangerous position. I bring these things to your attention, Mr. Speaker, because this government will have to face up to the situation in a very realistic manner. They will have to make it abundantly clear to the Bank of Canada that financial policy from this time forward is going to be framed by the parliament of Canada. Until the government makes that point very clear and then sets about asking parliament to give Canada a new, realistic financial policy, they never will be able to fulfil their campaign promises. In fact the best thing we will be able to do will be to take care of the fringe things, that is until they fight out this battle with the Bank of Canada and win.

We commend to the government a serious and uninhibited study of Social Credit financial proposals. I am sure they will find in them the real foundation for the establishment in Canada of a policy of freedom. Moreover, they will find in the techniques we suggest for the application of that policy the only hope in the world today for individual liberty. We see most of the present