

Mr. Otto: I recall that Sailor Jack, now president of the Canadian Transport Commission, who was then one of our great tacticians, together with the now government leader in the Senate and the Solicitor General (Mr. McIlraith) told us, "We have to vote for this." Some of the new members replied, "But Jack, we don't understand it." He then told us, "Don't try and understand it; just vote for it." And we did. How history changes. The Social Credit members who at one time were valued friends are now people we deny knowing. But, Mr. Speaker, I do not deny knowing them, and I think I understand their philosophy.

I wish to point out that the Social Credit Party already has in effect what the motion seeks, especially in paragraph 2 where it calls for:

—distribution of a national dividend to each Canadian citizen in order to ensure, out of the Canadian national product, at least his minimum living expenses;

If the mover would consider our present consumer credit system he would find that except for the fact that it is haphazard and is not orderly, it is what Social Credit has always supported—the use of future credit, or earning capacity, or national resource, and the consumption of it by Canadian citizens.

Mr. Speaker, you will recall that two years ago a joint committee of the Senate and House of Commons was formed to study consumer credit. It was then found that about 75 per cent of Canadian families used consumer credit and 25 per cent did not. The average family which did use it was in debt approximately \$2,800 for automobiles, refrigerators and goods of that nature, not including a mortgage. At 18 per cent, the interest alone was about \$504 per year.

The tragic thing about it was that the total disposable income left to buy goods and materials other than rent, food and clothing, was less than \$500 a year. Every family that used consumer credit was paying more in interest than it had left in disposable income. That figure has grown tremendously since then. There has been an increase of at least 18 per cent, so that the average Canadian family is now in debt to the tune of about \$3,200 and is paying about \$700 in interest, which means in fact that any further borrowing hypothecates its earning capacity. So, Mr. Speaker, Social Credit members should conclude that they have already in practice what they preach in theory.

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The second tragic thing about it is that nothing can be done about the situation. There is a great deal of talk by the Minister of Finance (Mr. Benson) that consumer credit should be curtailed and that the banks should curtail their issuance of Chargex cards and consumer loans. But the banks are knowledgeable enough to know that if they curtail these loans they will soon close up shop and get us into the greatest depression we have ever known.

When this was brought to the attention of the chairman of the joint committee two years ago he said, "Let us suppose that half the Canadians who are so far in debt decide they are going to pay back what they owe and are not going to borrow any more money. That means they are going to pay back the \$500 interest which they now owe, and then try to reduce their interest payments to nothing, which will mean that 50 per cent of the families in Canada will not buy any shoes, clothing, television sets, radios and gadgets of one kind or another." He said to me, "Otto, do you realize what a great depression this would cause"? It would, Mr. Speaker, because no one would produce. There is no sense producing if no one is buying. This is something we will have to consider. I have taken part in this debate only to put to the Social Credit members this concept of a fact which exists. I now wait for them to explain the difference between what they recommend in paragraph 2 of their motion and what we indeed have in practice in Canada today.

• (5:40 p.m.)

[Translation]

Mr. Henry Latulippe (Compton): Mr. Speaker, I am pleased to say a few words about the motion introduced by the hon. member for Shefford (Mr. Rondeau).

This motion is, I believe, consistent with the facts. It concerns the economic realities that every one should know about.

I realize what is happening in the House at this time. Very intelligent people who, unfortunately, do not know anything about economics, or the present system, are unable to define its terms. I regret such a situation. They are supposed to enlighten the people. They don't even know the economic system under which they live. They cannot even outline its operation.

The speech of the hon. member for Bruce (Mr. Whicher) contained gross stupidities and trite commonplaces. There was nothing true