

*Speech from the Throne*

A great many individuals and governments would purchase more Canadian goods, individually and collectively, provided they would not be required to borrow money at exorbitant interest rates, thus getting deeper into debt.

**Some hon. Members:** There we are.

**Mr. Godin:** Others cannot afford or are not sufficiently solvent to purchase the goods they need. That is why such goods remain unsold in stores and warehouses. Indeed, it is the lack of purchasing power in the hands of the potential buyer which is at the root of our economic problems.

The fact that the same thing happens in all modernized countries does not warrant, I think, our tolerating such a situation.

Throughout the world, highly qualified people have exposed the current situation and suggested solutions. Some of those solutions could easily be applied by the Canadian government.

The increasing public debt at all levels is enough of a proof that it is time to improve the system.

The government has had inquiries conducted in all fields; many would be surprised at the number of people appointed to find out the reasons for our economic and social difficulties. Unfortunately, those people must follow strict instructions and until now they have investigated everything except the operations of our money and credit system. In my opinion, this is why it is high time to give up the ostrich policy.

Considering that, currently, money is born and dies in the chartered banks empowered by the government to—

**Some hon. Members:** At long last we are going to have it.

**Some hon. Members:** Now we will hear about Caouette's machine.

**Some hon. Members:** Here it comes.

**Mr. Godin:** Mr. Speaker, I deplore that it is called "Caouette's machine" but I would point out that this machine had—

**Mr. Latulippe:** Anyway, it is still better than the "tax machine".

**Mr. Gauthier:** Yes, better than the "tax machine".

**Mr. Godin:** —been announced mainly by the Right Hon. Mackenzie King.

Indeed, we need a statutory monetary power that would put the monetary institution at the disposal of the community.

It is urgent that the money supply be first regulated and determined as a function of a certain national production level that would be scientifically and regularly calculated.

Second, it is urgent that the Bank of Canada alone be authorized to expand the money supply needed by Canada.

**Some hon. Members:** Oh, oh! Here it comes.

[Mr. Godin.]

**Mr. Godin:** Third, that any additional line of credit extended by the Bank of Canada be charged to a national credit account.

**Some hon. Members:** Here we are.

**Mr. Godin:** Fourth, that the money deposited in the national credit account be allocated for the needs of the Canadian people according to their wishes, as expressed through their representatives in Ottawa.

**Some hon. Members:** Hear, hear!

**Mr. Godin:** Once this solution is implemented, Mr. Speaker, whenever the level of the national inventory of buyable products passes a certain point, this will be justification to increase the money supply by an amount equal to the value of the inventory above a certain level. The additional money will be created by the Bank of Canada, after it receives authority to do so from Parliament, and will be deposited in a national credit account. If the level of the inventory of buyable products goes down it will then be necessary to reduce the money supply. And in order to reduce the money supply, there is no better way than taxation. This means that when the whole population and the accountants responsible for supervising the national inventory, i.e., the people who will have authority to balance the national credit account, then we will turn to the hon. member for Kingston and The Islands (Mr. Benson), who will waste no time in laying hands on whatever excess there is.

**Mr. Duquet:** You have the wrong minister!

**Mr. Godin:** Once this solution is implemented, the present allocation of funds from the national credit account by Parliament will be accomplished without creating any further national debt, and will at the same time reduce taxes. The Canadian people will be assured at all times that there is enough money to purchase the buyable production available in Canada, such available buyable production being the final result of the efforts made by Canadians, individually and as a group.

Once this solution is implemented, it will follow that the increase in production resulting from automation, cybernetics, and so on, will become a real blessing for Canada. This solution will remedy once and for all the distribution blockage which at present restrains the economy of the western hemisphere countries, of which we are part.

Implementation of this solution, Mr. Speaker, will allow chartered banks, which provide a service necessary in our society, to remain free competitive enterprises. The only change will be that only the Bank of Canada will be empowered to create additional money supply for the needs of Canadians.

**Some hon. Members:** It is over, at last!

[English]

**Hon. Donald C. Jamieson (Minister of Transport):** Mr. Speaker, at the outset I should like to join hon. members who have expressed congratulations to the mover and seconder of this motion. I am in a unique position in this regard because I think I am one of the few sitting members who has in fact had this assignment in the past and I