

Bank of Canada Act

why. One of the reasons is that the policies advocated by Social Credit as far back as 1935 have been adopted in part by many governments throughout the world, including the government we have in Canada today. Our argument is that governments could go further in adopting some of the policies advocated by Social Credit, and in many cases the partial adoption of these policies has convinced the public that nothing further is needed.

As we move into the technological age we in Social Credit can see that we have not gone far enough, and that a more wholehearted acceptance of our policies will become necessary as we go along. The bill before us of course is related to the problem of international finance, and that problem relates directly to the monetary supply of a country as well.

I should like to refer to an article in the "New Republic" for September 25, 1965 by Nathaniel McKitterick, entitled, "Closed Shop for Monetary Reform". This article contains some suggestions to the leaders of the world with regard to monetary policy and their relationship to the bankers union, which effectively controls monetary policy at the international level. The article reads:

The Bankers Union is in a bind because its jurisdiction over money—or more precisely over the maintenance of confidence in money—is threatened. And good members of the Bankers Union, like good trade unionists, regard their first duty to be protection of their jurisdiction against intrusion by outsiders.

The threat to the bankers' jurisdiction comes, not from another union, but from responsible political leaders—that is, politicians responsible to the voters for their offices.

I am sure the Minister of Finance must have quivered slightly as he heard the returns from the recent election in France, where the political leadership of that country has adopted monetary policies more orthodox than anything seen in this world for some time, and where the voters of that country have administered a severe setback to that political leadership. The article continues:

Now, the Bankers Union fears, and with good cause, that responsible leaders may want to reduce the role of gold as an international medium of control in favour of discretionary policies, implemented through the international monetary system, to sustain increasing flows of goods and capital among countries.

We have been asking for this type of greater discretionary policy on the part of this government in relation to the monetary supply of this country. The same policy holds good at the international level as well. This evening we have heard various attempts to

ridicule the policies put forward by Social Credit speakers. We might be a little more concerned about that ridicule if it were not a fact that the present international monetary system and monetary thinking, in itself, does not bear examination.

The article continues:

In this scientific age the sound of otherwise intelligent and responsible men rallying the country to the defence of gold at \$35 an ounce (which is the inescapable meaning of a "defence of the dollar" under the present system and in present circumstances) has more in common with a Pawnee rain dance than with stalwart statesmanship.

This has been one of the problems facing the world, that there is no logic in the monetary system that has been built up by accident in the past. Social Credit has been attempting for many years to educate the public to that fact. We have suggested that there are reasonable, logical and sound policies that can be adopted which can get us out of this cycle of boom and bust that we have experienced, and will continue to experience if bold and imaginative measures are not taken.

• (9:30 p.m.)

[*Translation*]

Mr. Grégoire: Mr. Chairman, I shall only take a few minutes to ask again the same question I directed to the Minister of Finance, because I believe he has not answered the question I put to him; maybe he did not understand its meaning.

The Minister of Finance has seen fit to reply to my question mostly in respect of interests that must be paid to the individual investor. In this connection, I would say that I quite agree with him: if a Canadian citizen, or a Canadian company, lends their money to another individual, then I see nothing wrong with an interest on this loan. If in our present system an individual grants a loan of \$100 to the federal government to purchase a federal government bond, then it is money that the individual had already which he loans to the federal government. It is normal that savings should bear a profit, that is interest.

A moment ago, I heard the member for Mount Royal (Mr. Trudeau) ask the member for Villeneuve (Mr. Caouette) if he thought that the Canadian citizen, who lends money to the federal government, say \$100 for a savings bond, should receive interest? To this I would answer yes. Otherwise, would the individual lend money to the federal government? Surely not, and that is exactly the problem.

We would like the Bank of Canada to finance public development of the country instead of the Canadians themselves, so that