

*Bank of Canada Act*

is asked to pay interest on foreign capital it holds in deposit, but it is not told what to do about the amounts it just gives to foreigners. Finally, all this is only a giant smoke screen to create even more confusion among the people about our monetary system and the governor of the Bank of Canada was chosen because he is an expert at confusing people.

• (4:00 p.m.)

Mr. Chairman, in this regard, since we are speaking of confusion, I am not the one who claims that the present government, as did former governments, endeavours to muddle up our monetary system in order to annoy everyone.

I should like to quote a few lines of one of the best of our outstanding members of the press gallery, Amédée Gaudreault:

When the high priest of our Canadian monetary system Mr. Louis Rasminsky comments publicly, two or three times a year, on the state of our Canadian economy, a goodly part of his statements savours of parables. Some people—who wrote the text—find it all very clear, while others, amongst the experts I have consulted, give hesitant and diverse interpretations of the thoughts of the governor of the Bank of Canada.

Thus, Tuesday, before the Montreal Chamber of Commerce, did Mr. Rasminsky advocate or not credit restrictions? Speaking in French, he expressed himself with elegance, calling it, for instance a "policy of more selective credit". He stated that, since 1961, the Canadian money supply has increased steadily by 8 per cent annually, and that "in the last 12 months, it has increased even more rapidly than during the three preceding years."

The speaker, however, recognized that it was impossible to control interest rates in the last year "including those in the field of mortgages",...

In not being able to control them, perhaps the parties concerned were following the advice of the minister who, when speaking of interest rates, earlier, said that the increase in those rates had promoted construction.

Mr. Chairman, I think statements of that sort are completely contradictory and can only further confuse the people.

I wonder what is the reason for those attempts to create confusion. They are probably meant to baffle the enemy, in this case the people.

Indeed, the people must not know that our national bank plays second fiddle while all publicity media are used to tell them that the Bank of Canada has absolute control. The country must not know, either, that under the present system, the more it produces, the more it increases the national debt. The people must not glimpse the possibility of a

[Mr. Gauthier.]

monetary reform, for this would be the end of the golden age of the trusts which feed our government leaders so well.

As long as a government elected by the people does not decide to undertake financial reform on a humanitarian level, we will always remain in the orbit of high finance without any hope of breaking free.

We maintain once again that in 1967 the people will be sacrificed to the financial circles because until now, no government has had the courage to bring the financial world to heel for the people's benefit.

We understand quite well why the minister and his supporters are acting this way; it is because they have been elected by the financiers to whom they owe a debt of gratitude for their political life.

Therefore, I address myself to all those who will read the *House of Commons Debates* to tell them that only the people, through their vote freely given, can bring about a radical change in this perpetual debt system and bring to light the true accounting practices of the country.

Since I am not an expert on the matter, although, for a number of years I have made an effort to try and distinguish right from wrong in that phony system, in that carefully set up myth, and so as not to be called conceited, I now want to take a few minutes to quote some statements from knowledgeable people who came and testified during the last review in 1954 and who all wondered, namely with regard to the Bank of Canada: What is the Bank of Canada? What should it be? And to get a clearer picture, you can read in the 1954 proceedings, the excerpts that I have chosen, in order to hear the experts, and to try and get out of those data a few ideas for change.

If we ask ourselves what is the Bank of Canada, we will find a disguised definition in the Act itself, where it says:

Whereas it is desirable to establish a central bank in Canada to regulate credits and currency in the best interest of the economic life of the nation, etc.—

And that is how the people came to believe: Finally, a central bank, a bank for the people will control those private companies which are the chartered banks. The Canadian people believed that.

Imagine, for instance, that I own a company in which I control only 6.6 per cent of the shares; can I seriously pretend to exercise