over the country and decrease consumer purchasing power. It would be a good thing for those hon. gentlemen, the members of their party, and our Liberal and Conservative friends, to give a considerable amount of thought to this question during the next few months.

Mr. MacInnis: If those factors would apply to increases in taxation in the way suggested by the hon. member—I do not want him to think I am asking this question with any sinister purpose, but it falls within the argument he was making—would not the same thing apply to the increase in indemnity which the members of parliament voted for themselves in 1945 or 1946?

Mr. Blackmore: Undoubtedly, it would.

Mr. MacInnis: That should be a reason for refusing it, then?

Mr. Blackmore: It will apply to every tax which is levied by the dominion government to raise additional revenue to provide additional public services or social services, which everyone in the house advocates. That is the situation confronting us in Canada. Is there not some way of avoiding the whole difficulty?

May I just stop the review here for a minute to point out that the hon. member for Cape Breton South is virtually advocating a dividend for all. I fancy there is no member in the committee who does not recall the amount of jeering that took place and the superior attitude that existed toward the idea of a dividend for all. When fourteen years ago I first came into the house, any suggestion of a dividend for all was met with an almost violent reaction. In fourteen or fifteen years I believe we have come to the point where practically every member of the house favours a dividend. We have therefore made some progress, have we not?

If we can determine now where the money is coming from with which to pay the dividend, then our thinking can go forward another milepost. What the hon. member for Vancouver East really has in mind is what the Social Crediters call the just price, which is brought about by a compensated discount which reduces the price to the consumer. The hon. member for Vancouver East is therefore well along his way toward progressive thinking as Social Crediters look upon it. I rather think that most members on both sides of the house, both Liberals and Conservatives, would favour a reduction in price by a compensated discount, for the Liberals used it with regard to many commodities during the war, and with great success. It is too bad that they did not continue so to control price after the war. They seemed to assume that as soon as the war was over all further problems in regard to price had ceased. In reality, those problems had only just begun. No proposal has yet been brought forward for the systematic reduction of prices, notwithstanding the fact that prices are just torturing people from coast to coast in Canada. What the hon. member for Cape Breton South was advocating was a dividend for all or at least a dividend for all those who had found it necessary, for one reason or another, to leave industry.

May I suggest to the members of the committee and to these two good gentlemen and their colleagues in parliament that money can be obtained out of production. I have heard them, in some of their moments of illumination, state that financing would be done out of production; but what they seemed to have in mind was out of taxing production. The thing our generation must realize is that you do not need to tax production in order to get money. If the producers are producing ample goods, let them produce the goods and let the government use the goods as a basis for money. In this way a government can finance projects out of production without injuring the producer or the consumer. Once this committee learns that, and once the government learns that, with all the high ideals that are actuating the government and the opposition today, Canada will be on her way to an era of prosperity and happiness that we have dreamed about in times past but have never dared to hope we would realize.

It will be necessary for me to read one or two short excerpts from men whose opinions might be expected to command the respect of the house. I am reading now an excerpt from an article in the *Financial Post* of October 5, 1940. The article is entitled "Putting Over the Next War Loan." It is by Professor A. F. W. Plumptre of Toronto university. Here are some words that might be of some value to the members of the C.C.F. and to the other members of the house. He says:

> There are some general matters of theory which must be kept in mind in preparing for the next war loan. It must be remembered, primarily and seemingly paradoxically, that the government's object is not to get money but merely to reduce the public's spending.

I am still astonished that no one, except Social Crediters, has seen fit to discuss in the house that remarkable statement. Now may I quote a little bit more. Further on he says:

> The government can always "get money" because it may, as an alternative to borrowing or even to taxation, create the required funds. This it can easily do nowadays through the leadership of the central bank and the co-operation of the chartered banks. In this way $200 million were created in this fashion last autumn.