

Bank of Canada Act

be supplied during the present debate by hon. members supporting the monthly averaging, when the particular clause comes up for debate.

Finally I would like to underline again the suggestion made by my colleague concerning the fact that the Bank of Canada publishes its economic studies in the same way as does the U.S. Federal Board of Reserve. I am not suggesting studies on internal matters, but there must be many studies that could be carried out in this matter. In his appearance before the committee the governor suggested that this might be started. It cannot be started too soon.

Mr. Johnston: Mr. Chairman, I should like to endorse the remarks that have been made by my colleagues, the hon. members for Medicine Hat and Fraser Valley, and also those remarks of the members of the Ralliement Cr ditistes who have participated with considerable effect in this debate. I might also mention the hon. member for Kootenay West who has expressed some sentiments in this debate not too far from our hearts.

We are very much aware in Canada today of the need for capital to be distributed among the people, and not to be increasingly concentrated in a few hands. Anyone who is in agriculture today knows that his income will no longer depend on the strength of his back but will depend almost entirely on the amount of capital that he can amass, obtain or borrow in order to finance the automation and mechanization of his farm. The government has realized to some extent the need to control the money supply; but, for example, they have concentrated far too much on the housing industry rather than on dealing with the basic problem. For several years the policy of the government has been to allow a small cycle of boom and bust in the housing industry as one of the means of influencing the monetary system in this country.

● (9:20 p.m.)

If you talk to people from the housing industry you will find that their main plea is for sustained financing for that industry, so that they will not be constantly pushed out of business by the fluctuations of the government's policies in this respect. Just the other day the minister's colleague, the Minister of Labour, spoke in Vancouver regarding that industry. The headline on the article in the newspaper is, "Most Private Housing for Middle Class, Labour Minister Says". The article also mentions the need for public housing for a group of people that it has been

[Mr. Gilbert.]

traditionally assumed could finance their own housing. One would wish the Minister of Labour, as well as the Minister of Finance, would look at the basic problem rather than at some of the tinkering that can be done in an attempt to improve the situation. The Minister of Labour must know, after talking to people in the housing industry, that public housing is the most expensive of all forms of housing that is constructed in this country at the present time. The real cost of housing is not the lumber or the cement but the financing of the money that is necessary for it. It is this problem of financing the debts that are involved in the construction of housing, hospitals, schools and for the development of this country that is one of the greatest problems facing us today.

My colleagues have spoken ably on the question of a municipal development bank, so I shall not spend too much time in that area. However, I feel we still have a need to educate the people of Canada to the significance of the government's monetary policy. We had a wondrous example during the meetings of the finance committee when we heard representatives from the Bankers Association attempt to over-simplify the entire structure of the monetary system. I referred to this last Friday in mentioning the attempt to equate money with all the other commodities with which we are familiar. It was a deliberate attempt to mislead the people of Canada as to the meaning of money, and its place in the economy today. Economists who read that series of reports must squirm as they read these over-simplifications attempted by the bankers, apparently in some hope the people of Canada would be taken in by them and would place the problem of the monetary supply somewhere other than squarely at the feet of the government in power today.

The hon. member for Medicine Hat has spoken about the role of the Bank of Canada in accepting part of the responsibility for the national debt and therefore, in effect, increasing the money supply in the country. I know the governor of the Bank of Canada has said he would rather see the money borrowed from the United States than produced this way by the Bank of Canada, but we in this party feel there is a much greater role for the Bank of Canada to play in monetary policy and in the monetary supply in Canada.

I was happy this evening when the Minister of Finance extended the debate into the international sphere when he said that no country in the world had elected a Social Credit government so far. He of course knows