

Bank of Canada Act

a sorry day for Canada when we consider that fact.

I had not expected to be drawn into this byplay this afternoon. I wanted to draw attention to the fact that the government's monetary policy has been lacking in that decisiveness and purpose which are so essential if this nation is to prosper and if the heritage to be handed down to future generations is to be what we would like it to be. I wanted to bring attention to those shortcomings of the government that we on this side of the house see and to express the hope that even now it is not too late for the ministers to mend some of their ways and change the course which they set out upon so carelessly and so wantonly ever since they first took office.

When we think of monetary and taxation policies and the double-barrelled effect they have on the economy, we cannot help but condemn the government in the strongest possible terms not only because of the things it did not do but because of the deliberate decisions it took which have resulted in the conditions I have described this afternoon. It is a noted fact that ministers have been warned time and again, not only by the opposition in parliament but by many great trade organizations across the country, by businessmen and business institutions, but they have turned a deaf ear to all pleas and have continued on their way carelessly, wantonly, irresponsibly, frittering away part of that heritage which should be the right of Canadians when one considers the tremendous wealth of our country and the tremendous opportunities that are ours.

Some hon. Members: Hear, hear.

Mr. Herridge: Mr. Chairman, I listened with great interest to the speech made by the hon. member for Fraser Valley and I must say that on this issue the hon. member for Fraser Valley and the hon. member for Kootenay West are two hearts that beat as one.

Mr. Korchinski: Lonely hearts.

Mr. Herridge: I take this opportunity to speak this afternoon because I want to take advantage of Social Credit principles. I know the hon. gentleman will send out hundreds of copies of today's *Hansard* in which my speech will be included, at no cost to me.

Mr. Knowles: On a debt free basis.

Mr. Herridge: Quite correct. This bill, Mr. Chairman, seems to include amendments that

provide for the improved administration of the Bank of Canada. However, in my opinion it completely fails to get to the heart of the question, which is to give the Bank of Canada authority to provide the social capital required by the federal, provincial and municipal governments for the building of hospitals, universities, schools and other publicly owned projects about which we talk at such great length in this house.

I think clause 6 of the bill provides the major amendment to the Bank of Canada Act. The explanatory note says of it:

This amendment defines the relationship between the government and the bank in regard to monetary policy. It makes clear that there is a process of continuous consultation between the government and the bank in this regard and provides a procedure whereby, in the event of a disagreement between the government and the bank, the government may issue a directive to the bank as to the monetary policy that it is to follow. The amendment also eliminates the power the governor now has to veto any action or decision of the board of directors or the executive committee.

The responsibility of the government for monetary policy having been established, that is why some of us at this end of the chamber are appealing to the Minister of Finance this afternoon to deal with the heart of the matter and provide for the issuing of funds by the Bank of Canada.

I was very disturbed the other evening to hear a report on television that we borrow approximately \$900 million a year from United States sources, which credit is entirely based on their knowledge of our natural resources, industrial equipment, our capacity to produce, and our integrity and willingness to repay the loans in question. I speak with a great deal of conviction on this question because I am rather conservative in finance. I was brought up to waste not and want not, and never to buy anything unless I had the cash to pay for it. I believe that two and two make four in finance, and I believe this is one field in which we can establish that Canada is a sovereign state. All we are asking is that Canada become a sovereign nation by giving the Bank of Canada the right to issue the capital for the social investments I have mentioned.

It may interest the Minister of Finance to know that the provincial convention of the British Columbia Liberal party unanimously adopted a resolution in 1932 urging not only the issuance of currency and credit by the Bank of Canada but also the nationalization of the banks of Canada. That resolution was sponsored by the late Senator Gerry McGeer and the late Right Hon. Ian McKenzie. I sat in