

*Suggested Interest-free Loans*

farm incomes have been up and everything going along as it should, we have decided to build a new hospital, a bridge or a school. I am suggesting that this is not really what we should do. I am suggesting we build such projects and use them as economic weapons to offset fluctuations in the economy. In effect, let us manufacture business or employment, as the case may be. I think an approach like this is a fairly reasonable one. I am sure if this idea had been explored in the thirties or at other periods of depression, things would have been much different in certain sections of the economy. However, in those days we did not believe in interfering with this sort of thing.

I will go so far as to say that I do not think even today we are doing all we can to solve such problems. I understand that the Manitoba government has set aside capital grants in their budget for projects of this nature. I think it would be wise to take a serious look at the approach they have taken. A short time ago the federal government attempted to dampen down the fires of inflation and one of the weapons they used was to eliminate depreciation allowances on buildings in cities like Toronto and Edmonton where inflation was at a high level. However, things did not work out as well as they might have. I am suggesting we take the other approach and actually put some money, effort and thought into building up business and employment through the use of project banks.

• (8:30 p.m.)

I have in mind something along this line: If there should be a problem in Toronto, Biggar or Saskatoon, the federal government or the provincial government might suggest to the municipality that if it started within, say, a six months' period to build a hospital or whatever it might be, a larger than usual grant would be allowed for this purpose. This would be an encouragement to the municipality to build such a facility? I believe it would be a reasonable incentive to build during a period when there is slack in the economy. Not only would such a program help the particular community, but it might enable the municipality to get a better deal from the builder if it were carried out when the builder did not have things geared up too tightly.

I suggest that in some areas, for instance in my area, while one might say there is a recession the people in the area might say there is a depression. Too often one looks at an economic situation and says it is a recession, but

[Mr. Thomson.]

when it relates to him personally it is a depression. There is a need for a hospital in my home town of Biggar. The municipality might see fit to build such a facility if there were some extra encouragement. In using my community as an illustration I do not mean to suggest that it is any better or worse economically than any other community. I suggest that interest-free money by itself will not stimulate the economy in some areas. I suggest that we take a serious look at the project bank concept which I have mentioned.

[Translation]

**Mr. Charles-Eugène Dionne (Kamouraska):** For several reasons, Mr. Speaker, I derive a great deal of satisfaction from taking part in the debate on the motion now before the House.

First, I would like to show that the present system of indebtedness tends to discourage people. To realize this, one has only to look at the pyramid of unpaid and unpayable debts under today's upside down financial system which leads legislators to dream up every conceivable way of finding new taxes. So much so that legislators and civil servants sometimes contradict each other. Here is an example: It is generally agreed that an annual income of about \$5,000 is required for a family of four or five to live decently. On the other hand, legislators under the influence of today's financial dictatorship tax the income over \$1,000 of a man with a family. If we stop and think about such legislation, we realize that the lackeys of the system are in total disagreement with reality.

In reply to a question put on the order paper, in 1964, in which I asked how much was paid in interests on the public debt since Confederation, the Minister of Finance said: Gross cost of interest on the national debt to the government of Canada from July 1, 1867, to March 31, 1964, was \$15,287 million (including an estimated amount of \$952 million for the fiscal year 1963-64).

Economists and politicians would easily find an explanation to the rising cost of living, if they carried out their inquiries on the constant increase of interest charges on public debts. Why continue to look for solutions that are nowhere to be found in a topsy-turvy system?

Social Credit is turned into ridicule by associating it with a "dollar machine". Now the opposite is exactly true. There is no dollar machine more efficient and diabolic than the