

Supply—Finance

besides the Canadian Wheat Board can be discussed under item 1, but it seems to me there was general agreement that the Canadian Wheat Board would be considered under item No. 1 of the estimates of the Department of Finance as the first subject matter of discussion before going into other matters.

[*Translation*]

Mr. Caouette: Mr. Chairman, I think the agreement arrived at this afternoon between representatives of the various groups in the house was effectively that we should discuss item 1 of the Department of Finance and at the same time, those who wanted to discuss the Canadian Wheat Board could do so under item 1 of the Department of Finance.

So I believe the hon. member for Lapointe is in order in discussing the Department of Finance because the Wheat Board may be of interest to the people from the West but if we are to hear them for three days discussing this subject, there will be no time left for those who have other financial questions to discuss.

The Deputy Chairman: Order. I have no desire to delay the exchange of views on the estimates of the finance department but it was my understanding that it was the hon. members' wish to discuss first the estimates of the Canadian Wheat Board.

Therefore, I would ask the hon. member to co-operate and show the spirit which seemed to prevail in the house and discuss first all matters relating to the Canadian wheat board, and perhaps come back later to other matters related to the consideration of the estimates of the Department of Finance.

I am simply appealing to the spirit of co-operation which the hon. member for Lapointe has always shown in the past and I ask him to comply with the wishes of the house and the Chair.

Mr. Grégoire: Mr. Chairman, if you appeal to my heart, you can win me over, but although I want to co-operate with Your Honour acting with such efficiency and graciousness, I cannot co-operate in that respect. I do not intend to speak about wheat. I leave that to the westerners who do it so well, but when it is my turn to have the floor, I insist on taking advantage of it.

I wish to talk about what I feel is an important problem within the Department of Finance. Therefore, I ask hon. members to be kind enough to allow me to speak of the

[*Mr. Olson.*]

problem I want to bring up this afternoon. After that, I will let the others return to wheat.

I would like to deal with one of the most serious and most important problems facing the Canadian economy at the federal, provincial, municipal or educational level.

• (4:50 p.m.)

It is, Mr. Chairman, one of the largest expenditures of the Department of Finance and one of the largest in the Canadian budget, namely the interest paid by the government on the national debt.

If you study the details of estimates of the Department of Finance, you will see that the total expenditures for 1965-66 with regard to the interest on the public debt amount to \$1,101,056,400 and for 1966-67, to \$1,185,000,000. That is a lot of money, Mr. Chairman, \$1,101,000,000 in interest only on the federal government's public debt.

With \$1,101,000,000, we pay the interest only, not the principal. It makes you shudder to think that this huge amount is used solely to pay the interest on the public debt and for the federal government only. Our debt is astronomical.

This morning, in the finance committee, I had the opportunity to question the former governor of the Bank of Canada, Mr. James Coyne, who was submitting a request for a chartered bank. I asked him this: "Mr. Coyne, when your bank loans money, it will inevitably intend to get it back. If it lends money to the Canadian government, when we know that the debt of the federal government is larger than all the money in circulation in Canada—the federal government alone owes more than all the money in circulation in Canada, legal money, scrip money, that is the whole of the money supply—it will therefore be physically impossible for it to reimburse its debt—is it a good risk for a bank to lend money to the federal government when it knows that the latter will never be able to pay it back, because it owes more than all the money in circulation in the country? Is it a good risk? Mr. Coyne answered: "The federal government, when it wants to pay it back, must borrow elsewhere."

Now, in order to pay back, it has to borrow and our debt increases constantly, as does the interest on that debt.

Four years ago, when we first came here, the interest on the debt was \$820 million. In four years, that interest has increased by more than \$400 million. We now pay \$100