

### Supply

When is the government going to establish a scientific financial policy? This is why I consider that the federal government should draft, as we have been suggesting to the House for a long time, a financial policy which will enable municipalities, cities and provincial agencies to plan ahead at all times and not for a three-year period. In fact there will be further developments in the next three years in Canada. There will be other projects of construction of water mains as a result of an increase in population, cities will expand, municipalities will become bigger, pollution problems will still exist and if the present government is still in power, we will be talking about it yet. There still will be several public investment problems. Then, why a three-year period?

Why did the government fail to come up with a stable, permanent and serious financial policy so that municipalities and cities might be able to plan not for three, or four years but for 20 years instead for their water mains construction projects, their rebuilding of streets, their construction or other public works?

These credits of \$350 million are further evidence that the Creditistes are right when they ask for the services of the Bank of Canada in granting interest-free loans to provinces, municipalities and school boards so they may finally plan for a long time ahead the development they need. These credits would be put into circulation as and when the projects are carried out by the various public bodies and they would be reimbursed by means of taxes from the taxpayers as and when depreciation, consumption or use of the projects realized with the help of credits granted for development occur in the public sector.

This means that the money or credit would be put into circulation in accordance with the development of public resources; for example, a credit of three million used for the construction of municipal water works would be valid for 50 years and reimbursed only in capital at the annual rate of 2 per cent of the original capital in such a way that in 50 years the original capital invested would be reimbursed. Thus, the taxpayers of municipality "X", the taxpayers of province "Y" would have reimbursed only once their public works, while today we pay 9 or 10 per cent interest to high finance to which the present government, as the preceding ones, gave in exchange for donations to the electoral fund the power to extend to this country the necessary credit instead of doing it itself through the Bank of Canada, as the latter has the power to create the necessary credit for the development of national resources.

The Bank of Canada should finance without interest public developments of provinces, municipalities and school boards. And the savings or loans made from the chartered banks or elsewhere should finance with interest private investments.

Mr. Speaker, here is a financial policy which would allow the government to know where it is going, and would also allow us to know where the municipalities can go with regards to their public investments or capitalizations. Such a financial policy would put a stop to the stifling of the provinces, the municipalities and the public bodies as we have it today.

I have before me the March 17, 1971 edition of the newspaper *Le Nouvelliste* in which it is said that 48 per

[Mr. Rondeau.]

cent of the appropriations of Trois-Rivières-Ouest, that is \$494,600 on a budget of \$993,700 are earmarked for servicing the public debt.

I have also before me another newspaper showing that the same problem exists all across Canada, and not only locally. It is the *Globe and Mail*, dated Thursday, February 4, 1971. On page 84, one can read the following, and I quote:

• (2020)

[English]

Charlottetown's problem is how to maintain, expand its services.

Debt service charges are a special burden . . .

Expenditures were budgeted last year at \$3,230,000 with \$1,042,000 for debt charges . . .

[Translation]

Mr. Speaker, I have before me still another newspaper, the *Victoria Daily Times*, edition of July 23, 1969, in which we find the following, and I quote:

[English]

The Crippling Interest Burden.

School board chairman Dr. Carron Jameson's troubled comment . . .

It must come as a shock to most taxpayers to learn that, at present high interest rates, the borrowing of \$300,000 for school purposes will entail a repayment of \$628,445. But is this adequate justification for arguing that the board should pay its way with cash? Schools are built to last for longer than one year. They will be assets to the children of today's pupils. Since this is the case, why should a generation of taxpayers in 1969 shoulder more than its share of the burden to meet requirements of the next generation?

[Translation]

Mr. Speaker, in the Official Review of Ontario Hydro for the month of January 1969, one can read this:

[English]

Another figure which is difficult to appreciate is the cost. Estimated in 'today's terms' the combined price tag works out at \$1,035,000,000—

Interest is something else again. If the full amount was financed over 20 years at 7 per cent interest would amount to \$1,449,000,000—

[Translation]

Mr. Speaker, this illustrates that in the matter of public finance, this government does not know where it is heading for. Here is another disgraceful example, that of the construction in Moncton, N.B., of a city hall that cost \$1,200,000 to the builder, whereas the city of Moncton has rented the building for \$329,924 a year, which means that after 40 years the building will have cost the ratepayers \$13,196,960 and the city of Moncton will be destitute, having paid \$13 million in rent for a building whose cost was only one million dollars.

That, Mr. Speaker, goes to show that all over Canada, in all the provinces, in all municipalities, in provincial agencies, there are urgent, essential needs to be met. The population has great needs to be met. Mayors, aldermen, administrators of provincial agencies are plagued with just one problem, that of financing. As a solution, the federal government brings forward the motion now before the House as stupid as can be imagined.