

Supply

(iii) the obligation bears interest payable annually at the rate applicable pursuant to Subsection (1) of Section 113 of the Canada Pension Plan, at the time of the issue of the obligation for obligations issued pursuant to that Act at that time to the Canada Pension Plan;

Such is, Mr. Speaker, the crucial point of this program. Here is a specific example: one or two years ago, Victoriaville wanted to develop some parks but did not have the financial means to do so; it had to resort to a loan bylaw which in the end was rejected by a majority of citizens. The municipal council found another procedure to carry out its project, but it remains that at the present time, the municipal councillors, the mayor and the people are aware of the financial condition of the city. Let us say that it is no better or no worse than elsewhere.

In short, Canadian municipalities—including those in Quebec which concern me and which I have at heart—are head over heels in debt and the minister would like to obtain the co-operation of provinces and municipalities to set up a system increasing their public debt in order to create the jobs which he has been unable to provide in the past four years. All that because he was trying to check inflation.

Mr. Speaker, the Social Credit has been suggesting for a long time that public plans in the public sector of the economy should be financed interest free or at a rate of interest which should not exceed the administrative costs of the loans granted through the Bank of Canada or its branch at the provincial level.

• (1720)

Our Liberal colleagues come to us begging support in order to avoid the defeat of the government but when we talk about the Bank of Canada, they find us funny. I want to take the opportunity to tell them that I am a Social Creditor and that I am not ashamed of the Creditist theory and that if they were men they would listen before laughing.

Mr. Speaker, I will say to the hon. member for Quebec East (Mr. Duquet)—I understand that he is not interested in the financial problems of municipalities—that the municipalities of my constituency as everywhere else are indebted. His attitude is wrong to the point that he deprives the population of several desirable and necessary projects of public interest.

Provinces and municipalities endure hardships. The idea behind these \$350 million is extraordinary in the sense that the provinces and the municipalities will receive some help at last.

But I draw the line, Mr. Speaker, when the government contributes to increase provincial and municipal indebtedness by charging high interest rates and by demanding the issuance of obligations when they borrow and even by requesting them to invest twice what they invested if the loans came under the second class, that is if they have been granted after December 6, 1972.

Mr. Speaker, some of my colleagues and other people consider interest-free loans as a very funny thing. However, the Minister of Finance or anyone who will replace him will have to think someday and tell us if our solution is that funny. What is the solution he proposes to stop the

alarming indebtedness of provinces and municipalities? He will have tell us some day.

Mr. Speaker, I will give the example of Parisville, a very small municipality in my constituency. The hon. member for Quebec East does not talk about his constituency's problems; anyway, he does not have the right to rise and take the floor. Just today at noon, I was talking to the Mayor of Parisville who told me he submitted a local initiatives project for setting up a community leisure centre at the end of December. He has had no news about this project although it would create jobs. Having had no reply, he telephoned me at his own expense to solicit my assistance and the co-operation of the department.

His municipality spent \$25,000 from its savings in a bank account in order to supplement the financial participation of Parisville citizens toward this centre. Might there be higher priorities in Parisville? That is not our problem, nor that of the Minister of Finance. We must abide by the choice of municipal or provincial authorities.

Mr. Speaker, I hope the government really means what it says about creating jobs. I have just heard the hon. Minister of Finance state that it is urgent that jobs be created. The Minister of Manpower and Immigration (Mr. Andras) should express the same opinion and start action, replying to applications submitted on the government's invitation in order to create jobs. He should at least have the decency to reply to those people, whether at the local or municipal level. Then, the government's good faith would find credibility.

Furthermore, Mr. Speaker, the government should strive very seriously for a solution to the problem of public financing in our country. What sources have provinces or municipalities for their financing? Would they be bond issues and foreign loans?

When a municipality or a province borrows, what does that involve? It must reimburse twice or three times the amount of the loan in interest, and once in capital. Who does this reimbursing? The taxpayer, who is taxed, bled white.

In order to finance itself the municipality may have recourse to the second expedient, namely taxation. No need to talk about it since all my colleagues who consider themselves honest will admit like me, I think, that Canadians are overtaxed.

Mr. Speaker, it is expected that the government will have a huge deficit. What will it suggest to make up for it? A tax increase, I am sure! We shall wonder whether to tax the rich, the poor or take from the rich to give to the poor, but the fact is, however, that the funds of the federal, provincial and municipal governments show a deficit.

As for private business, it is being bled white to pay for administrative mistakes and the mismanagement of our administrators who failed to develop a modern way of financing the growth of the public sector, thus enabling the Canadian people not only to take part in the growth of our country and to work, but to be able to make savings.

Mr. Speaker, some of my colleagues from the Liberal party find it funny, but when we come to the point of taxing the taxpayers' savings, it is no longer funny. This means that there is a problem in financing the public sector and one day the federal Minister of Finance will