

Housing

Gaston Bardet, dean of studies at the Higher International Institute of Applied Town Planning, in Brussels.

Here is what Mr. Bardet had to say:

As a result of outside financing by the banks, which issue advanced scrip money, operations and production soar at a rate exceeding the real purchasing power, which is now ignored. As a result, there is a productive hysteria, with the alternatives of unemployment or war, for the destruction of the goods that glut the market.

Therefore, there exist for financing two entirely different solutions: one through savings and the other, through projections, the self-regulation of which should come from supply, from existing surpluses, in the first case, from demand, from essential needs in the second case.

Bank financing is altogether appropriate for construction and capital equipment, beneficial to the entire country. For, in that case, no overproduction is to be feared.

It is really demand which determines the issue; it is the need for housing, roads, bridges, hospitals, schools which now become the regulator of advanced scrip money, so dangerous in its anticipations, the machinery of which must now be set forth. How are we to build annually the 200,000 houses that people are clamouring for?

Their problem is the same as ours. They also need 200,000 houses. The quotation goes on:

Let us resort to the machinery used by the bankers themselves—

He indeed refers to the bankers themselves and not to the floor sweepers or those who empty the spittoons. Let us ask them.

What does a bank do when it wants to erect a building? Does it borrow from another bank? Certainly not.

It credits an amount to a current account in its own name, on which, needless to say, it pays no interest. It purchases the land, pays the builders with cheques that are guaranteed... by the building itself. It then collects rents and, after some thirty years, the money paid in balances the initial amount credited.

● (3:40 p.m.)

The Minister of National Revenue (Mr. Côté), who is talking with his neighbour, does not understand anything about these matters. It would perhaps be wiser for him to listen, because his electors understand the problem and this might be dangerous for him in the next election.

Mr. Côté (Longueuil): That no longer exists in my district because Social Credit is dead.

Mr. Caouette: Mr. Speaker, I shall go on with my quotation:

The operation is cancelled, but the bank keeps the building which it now owns without having [Mr. Caouette.]

spent a single cent. Except, as you will probably say, for the cost of entering the amounts paid out or received on one sheet of the ledger under Debit and Credit.

Thus, the bank, because of the modern form of credit using scrip money, based on the belief in its eventual solvency, was able to create sham money and convert it into bricks, the most tangible thing, with the cheques issued losing their currency at the end of thirty years when the magic operation is over.

To create and then destroy sham money which had a legal value during a short period, such is in fact the extraordinary privilege of the bank system, brought into the open by the parliamentary surveys of the British government... and of the Canadian government—

Mr. Speaker, this is exactly the situation in which we find ourselves.

If we let the banks operate for their own benefit, as I have just said, why would the government not introduce some legislation that would provide for interest-free loans or for loans bearing an interest just covering the operating costs. The Canadian worker could then build a house and find the money to pay for it. He would not have to pay, for instance, as is now the case, \$84,000 per unit. If somebody buys a \$24,000 house, he can say he has paid for it, not \$24,000, but rather \$84,000; as a matter of fact, a \$20,000 30-year mortgage at 9½ per cent costs \$60,000 in interest, which brings the total cost of the house to \$84,000.

We do approve credit in our system. Let us go on since this is what the Prime Minister suggests—paying a 9½ per cent interest, not only for 30 years, but for 40 years, which means that an ordinary house would cost, not \$20,000 or \$24,000, but over \$100,000.

Mr. Speaker, it is a crying shame to see that in Canada such an administration is being tolerated because people are afraid to protest against a monetary system which fleeces everybody.

But we of the Ralliement Crétitiste shall go on fighting until the little man gets his house, the Canadian family has suitable dwellings, until the monetary system really serves the Canadian people, rather than the Canadian people being at the service of the monetary system, as is the case under the present administration.

[English]

Mr. David Lewis (York South): Mr. Speaker, I should first like to say, if I may in the absence of the Prime Minister (Mr. Trudeau), that I have not seen him so animated since he became Prime Minister as he was today. Apparently, the crisis created by the resignation of the Minister of Transport (Mr.