

the banks to be especially sympathetic to applications for credit from parts of the country whose economic position is particularly unsatisfactory.

The government of Canada also takes into account in the formulation of its debt management policy the borrowing requirements of the provinces and the impact of all governmental borrowing requirements on the Canadian economy. Again, there are regular discussions of these matters with the provinces. For example, at a federal-provincial meeting in Winnipeg in the spring of 1970, as a result of concern about the effect of a very strong Canadian dollar on our economic growth and the level of employment, the Minister of Finance asked the provinces to consider very carefully whether they had explored fully the availability of funds in the Canadian capital market before floating issues outside Canada. This request was then extended to all Canadian borrowers. We have received a notable degree of co-operation in this regard, and the use of foreign capital markets by Canadians has declined significantly. To help enable other levels of government to find their funds in Canada, the federal government has kept its public borrowings to the short and medium term markets, leaving the long end to other governments and private sector borrowers.

I think that within the limits imposed by the constitution, and by its responsibility for the economic health of the whole of Canada, this government has demonstrated its willingness to do the very things that are regretted in the motion now before the House.

[Translation]

**Mr. Romuald Rodrigue (Beauce):** May I call it one o'clock Mr. Speaker?

[English]

**The Acting Speaker (Mr. Laniel):** It being one o'clock, I do now leave the Chair until 2 p.m. this afternoon.

At one o'clock the House took recess.

#### AFTER RECESS

The House resumed at 2 p.m.

[Translation]

**Mr. Rodrigue:** Mr. Speaker, I would like to use the few moments at my disposal to discuss the way the Minister of Finance prepares his budget year after year. I would like to see included in that famous budget some information which in my opinion is quite important and which would show the real economic conditions existing in the country.

What surprises me in the budget presented each year by the Minister of Finance are the huge amounts appearing under the national debt item as well as the amounts required each year to pay the interest on the national debt.

The Canadian national debt which amounted to \$75 million in 1867 at the time of Confederation had quintupled before the First World War to reach some \$314 million. After the First World War the debt went up to \$1,200 million, representing an increase of 500 per cent in six years.

#### *Alleged Decentralization of Policies*

Afterwards we experienced the 1929 depression and the Second World War. The national debt of Canada amounted to over \$11 billion in 1945. From 1945 to 1960, we had a new increase, somewhat less pronounced than during the war years, an increase representing another \$1 billion and bringing the debt to \$12,089,195,000.

From 1960 to 1968, that is over a period of 8 years, the net debt has once again increased to \$16 billion, and we can expect that with the budget announced by the former Minister of Finance (Mr. Benson), last October, this debt will increase by another billion before the end of this fiscal year.

Even more striking are the ever-increasing amounts that taxpayers have come to pay each year for the interest of the national debt.

In 1969-70, the actual expenditures incurred to pay the interest on this debt amounted to \$1,709,938,172. In 1970-71, according to figures in section 15 of chapter 8 of the estimates, expenditures for public debt amounted to \$1,822,843,840. In 1971-72, still according to the same source, the estimates for public debt amount to \$1,994,000,000, and will increase to \$2,160,385,000 during 1972-73.

• (1410)

Mr. Speaker, the interest that 22 million Canadians will have to pay amounts to approximately \$2 billion per year. This represents, for each Canadian, \$100 a year.

But, it should be recalled that in 1945, after the second world war, the interest paid on the public debt was \$26.42 *per capita*. This increased later on to \$42.17 in 1960, and 12 years later, in 1972, each Canadian will have to pay about \$100 for the interest on the public debt. I am not referring here to the interest charged to provinces, municipalities, school boards, which amount to close to \$3 billion per year now.

Such are the fruits of the financial system of which this government and its predecessors have been and are still the faithful servants.

But there are some, Mr. Speaker, who will say that this is good, such as Mr. Alexander Hamilton, the spokesman for international finance and, above all, the spokesman for the conservative party of federalists in the United States, who stated that a public debt is a national blessing because it offers businessmen and financiers a safe investment.

A Canadian Minister of Finance stated around 1945 that the national debt was the barometer of civilization and, to prove his point, that same Finance Minister stated: Well, the natives in Africa do not have any national debt and they are not civilized.

Others, Mr. Speaker, state repeatedly that a national debt is not harmful for the country because Canadians owe this money to one another and that the money paid to maintain this debt goes from one pocket to another.

It is true for some, Mr. Speaker, but only a very small percentage of average Canadians have invested their savings in the public debt of Canada, the provinces, the municipalities or the school boards. These people should know that those pockets do not ordinarily belong to the same taxpayers.