

Had this been accepted in April, it was Mr. Garson's belief that it would have been much more beneficial. When I say that two of the provinces have shown their willingness, I should say that three have now agreed on the five year plan. Two provinces which are the most heavily populated believe they will be deprived of some taxation or taxing powers but on the other hand do not realize the tremendous amount of subsidies they will receive in return. Furthermore, the dominion government is anxious to advance the health scheme, reduce the age for old age pensions and put into effect a security programme. I therefore maintain that the time is now here to show the people of Canada that we are prepared to accept our responsibilities.

Now, Mr. Speaker, it is hard to understand some of the opposition. They maintain that the government is not doing nearly enough regarding housing, old age pensions, mothers' allowance, hospitalization, and so forth. They are all advocating higher expenditure, and yet in the face of this their financial critic, the hon. member for Muskoka-Ontario (Mr. Macdonnell) insists that all the government is doing is tax, tax; spend, spend; but never save. That in my opinion is the surest way to unemployment. On the other hand, we have here a good heading from a good Tory paper, which says, "Government is putting in a stabilized programme to hold prices down."

I wish, Mr. Speaker, to commend through you the Liberal party for their policy of allowing their colleagues to express their views without fear of being read out of the party as has happened in some parts of Canada in other parties. I feel that the only truly democratic way is to allow a man to express himself without fear of reprisals. I also feel that I must try to further the effort of my predecessor, the late John M. Turner, and other members who have expressed their views on dealing with banks and the banking system. In this connection I quote from a speech delivered in the session of 1944 by Mr. Turner, and reported in *Hansard* of that year, pages 2830 and 2831:

I believe, sir, that everybody in this house knows that I am not a financial expert, nor do I ever hope to be one; neither am I a mechanical expert and I do not ever expect to be. Perhaps all I know about finance is that a dollar has 100 cents. Nevertheless, when I get in my car in the morning to start to drive I can immediately detect if there is something wrong, although I may not know what it is. That is the way I feel when talking on finance. There is something radically wrong with our whole financial system. The way it is set up it is like a gigantic octopus, choking the very life out of our Canadian nation through the interest system we have adopted. This certainly has to be changed.

Just as an illustration, I hold in my hand a copy of a brief prepared in February of this year by the city of Winnipeg to be presented to Hon. Stuart S. Garson, our premier. Attached to this brief is a statement of the interest paid on debentures by the city of Winnipeg from the year 1930 to 1943, a period of fourteen years, and the staggering interest total for that period of \$40,319,694.20. This figure does not include the interest on the greater Winnipeg water district, which happens to run right through my constituency. The interest on this alone amounts to \$800,000 a year. Now, Mr. Speaker, if I were to stand here to-day and tell the people of Winnipeg that between now and 1957 they are going to hand out again to the money-lenders an amount close to fifty million dollars for interest, they would think I was not stating the facts. Nevertheless, that did happen before and it can happen again. That city is urgently in need of slum clearance, new homes, hospitals, parks and other public projects, and if we could save only half that amount, say \$20 millions or \$25 millions, for those purposes, I am sure it would be welcome news not only to Mayor Coulter, but to all the citizens of Winnipeg.

The figures I have given for Winnipeg can, in proportion to population, be duplicated in almost every province, city, town and municipality in Canada. Interest has a stranglehold on governments of all kinds and acts as a hydraulic brake against any district progressing to its fullest extent. How can they be expected to progress, carrying this terrific load?

Let us take a look at our own financial set-up in the dominion. Before the war this nation's debt as of March 31, 1939 was \$3,710,610,592.87 and interest charges on same were \$127,995,616.75; to-day our national debt is \$9,228,252,012.03, as of March 31, 1943, the interest charges being \$188,556,249.39, better than \$15 millions a month, an increase of over \$60 millions a year, or roughly five million dollars a month. That is a staggering figure, and who can tell to-day that the war may not last for two or three years yet and the debt will be just that much greater? We are getting in deeper all the time.

I said before that I am not a financial expert, but I know there is something positively wrong with this whole business, and I envisaged the Bank of Canada as being set up to step in and lend money to public corporations, as I have already indicated, without any interest, but with just an operating charge or a bookkeeping cost. The present system cannot go on indefinitely. We should, therefore, be prepared to try another kind, and force the big banking houses to get out of government business entirely and operate in their own field,—

Then he goes on to say:

I believe that the Bank of Canada is not operating to the fullest extent in the important matter of financing public debt and public corporations.

I have had considerable experience as head of a municipal corporation and as chairman of the school board, and I know how we finance. I can see the tremendous advantage which we could obtain by using the Bank of Canada to a far greater extent to further our education, our health schemes, mothers' allowances, hospitalization, road programme, and so on.