

Borrowing Authority Act

over, when we stopped lending money to England, they stopped buying our products. I hope that the countries which take advantage of our generosity will not play the same trick on us so that one day we will be stuck with the debt without having the market.

Mr. Speaker, I have here a long list of the loans made to different countries which was issued on June 28, 1978. If you look up *Hansard* for June 28, on page 6830, you will see that with the exception of a single country, all these loans were granted interest free and provide for repayment in 50 years and seven or ten years of grace. For all practical purposes, this is nothing else but a gift.

● (2142)

You will say, Mr. Speaker, that we have to be human and understand that others have urgent needs. I agree, but I would like to emphasize the fact that money is considered as the true source of wealth and that it is given more rewards than the work of man. The construction worker employed on the site of the bank of Canada will be paid only once for having installed a tile and the necessary fittings and for having put some parts together. On the other hand, the capital borrowed to build this project will be rewarded five times. Dollar capital is rewarded five times and human capital or work capital is rewarded only once.

Mr. Speaker, this reminds me that one day not too long ago I had a discussion in a public service with a colleague who is familiar with financial matters and who argued that money is the true source of wealth. For my part, I argued that true wealth is in possessions. I gave him the following example: Two men go on a hunting expedition; one of them is an expert in financial matters, his wife loves him and believes that he is right; the other is a worker, perhaps a farmer or an industrial worker. The wife of the financial expert does not forget to go to the vault and to take two \$100 bills to put in his wallet, while the wife of the worker takes two loaves of bread, a pound of butter and a few fruits and put them in a pack. The two men leave for their hunting expedition in great humour. They do not have a very good sense of orientation. They do not have a compass. Night falls and they have to sleep in the forest. The next day is cloudy and foggy, and as they do not have the sun to guide them, they spend that day and the next one in the forest. I therefore asked my friend which one of the two was the wealthier? Was it the one who had two \$100 bills in his pocket or the one who had bread and butter in his bag? He admitted that it was the one who had bread. I told him: "Sir, you are intelligent. Why is it that when you are in the woods, you can reason sensibly, and that as soon as you leave, you are unable to reason and lose all sense of proportion?"

Mr. Speaker, in our country we have organized our society like this: the constitution provides for three levels of power, the legislative power which we represent in this House, the executive power which is the cabinet, the Minister of Finance, all his

colleagues and the Prime Minister, and the judiciary or the judges who examine our acts when taxpayers are not satisfied, who scrutinize our legislation and decide who is right and who is wrong. Above all this, Mr. Speaker, there is another level of power, about which the public knows generally nothing, least of all how it operates. It is the monetary power, the power to mint the credit of the nation, the power to influence the circulation of money and credit, the power to establish the duration of the circulation of financial credit, the power to require the repayment on terms fixed in advance failing which the product of your work will be seized. It is also the power to submit governments themselves by spelling out repayment and demanding as a guarantee the power that all governments have, that of taxing the citizens.

And, Mr. Speaker, this situation does not prevail only in Canada but every hon. member should have the time to read about this. I find it very interesting.

It was published in France, and I quote:

In France, money is where it is not needed and not where it is needed.

We could say that conditions are exactly the same in Canada. In the review dealing with monetary power, the following comment appears, and I quote:

The government and the banker of course are old pals. The government needs the banker who can provide his own credit. The banker needs the government because he must be under the cover of law and order.

Mr. Speaker, it is exactly like that in Canada. There is no difference. Things happen exactly like that and the article is entitled *The real counterfeiters*. Let us speak of the loan that the government would like to obtain. Bonds will be issued. Some of them will be bought by our chartered banks and under the law, it is legal. The bankers who will purchase those bonds will merely create the necessary money. Why is the government unable to do such an operation through the Bank of Canada? We should have good accountants in that institution! This is why the government is in a quandary and finds it difficult to do precisely what it wants to ensure the proper development of our society. Mr. Speaker, that situation is not new. In 1931, His Holiness Pope Pius XI denounced the power in the hands of private institutions. He said that this power is particularly noticeable among those who are the absolute masters and keepers of the money and mint the nation's credit as they see fit. He added that they control the economic blood of the nation to the extent that, without their permission, no one can even breathe. Nothing has changed since then because governments and parliaments, including ours, do not take the necessary steps to put some order in this field of activity.

Mr. Speaker, I want to catch the attention of the Minister of Finance (Mr. Chrétien). When we were considering Bill C-56, I promised him I would give him a copy of a bill which was studied by the American Congress and which gave the American government full power to control the money supply. I kept my word. I gave the bill to the President of Privy Council and

[Mr. Lambert (Bellechasse).]