

*Suggested Interest-free Loans*

it is not too late yet for this government, which does not know restraint, to start showing some restraint. I should like to mention in passing that the last speaker was entertaining. I recall a member of the Social Credit Party, the hon. member for Lethbridge of that day, who always participated in the debate on the estimates of the Department of Finance. In those days the estimates were considered in the House, as any hon. members who were here will recall. This particular hon. member always spoke three times on the estimates of the Department of Finance. He spoke once on the estimates themselves. Then, he spoke on Social Credit theory and, finally, on the Turkish-Mongolian conspiracy. This was always most entertaining.

The hon. member for Temiscamingue (Mr. Caouette) was as entertaining today, if not more so, but at the same time he failed to convince us that the use of debt free money is the way to cure the situation. The government, during free time for Political broadcasts on t.v. last August, came out with a big hullabaloo about what it was going to do under the austerity program. This was a lot of nonsense. The government has not done anything. A few commissionaires employed at various places may have been laid off and some other people on the lower income bracket may have been laid off, but actually the government is building up the hierarchy. A power house is being built up around the Prime Minister's (Mr. Trudeau) office. This is enough to frighten anyone. We are approaching what I would suggest very definitely is a socialistic dictatorship. I know of a country in the Middle East which suggests it has a constitutional monarchy form of government. I call it a benevolent dictatorship. This is not even a benevolent dictatorship.

This government, for instance, a few months ago renewed the 3 per cent surcharge. In addition, this government changed the constitution under which our system of government operates. In February, 1968 they were defeated on a money bill and refused to resign, so, in effect they changed our whole system of constitutional authority.

• (4:30 p.m.)

Now, they have renewed that 3 per cent surcharge which replaced the 5 per cent on which they were defeated, and if, as, and when the white paper should become legislation—pray God it never does—this temporary tax will be melded into one tax rate which the people of Canada will have to face forever.

[Mr. Monteith.]

I suggested earlier, Mr. Speaker, that I would not go over my time so you do not have to point out to me that my time has expired. I propose to sit down now, but before doing that I want to point out, something to the hon. member for Temiscamingue (Mr. Caouette). He suggested that the Conservatives would only do the same as the Liberals, that we would be very concerned about the situation. We have proven our ability to be concerned about the situation which has existed here in Canada since 1965. I cannot support this motion no matter how well intentioned it may be.

[Translation]

**Mr. Gilbert Rondeau (Shefford):** Mr. Speaker, we listened a few minutes ago to the hon. member for Champlain (Mr. Matte) who introduced with great eloquence a motion to establish a new method of financing public capital in Canada.

We also listened to the hon. member for Temiscamingue (Mr. Caouette) who gave us examples intended to cast some light on this motion.

One would have to be blind, to be totally deprived of financial knowledge or to accept to be a accomplice of this administration not to recognize the merits of this motion. The Canadian financial system piles up on the federal government, the municipalities, the provincial governments and the school boards and all the public agencies, a pyramid of debts which mathematically speaking can never be repaid and which paralyzes all these bodies.

If, because of ignorance or collusion, we refuse to recognize that banks alone, with practically nothing, in the form of credit, create more than 95 per cent of the money in circulation in Canada, we will look everywhere as the hon. member for Perth (Mr. Monteith) just attempted to do, for some justification for that pyramid of debts, the causes of which I should like now to summarize. When banks through credit created out of nothing lend to all public bodies, governments and school boards, \$10 billion per year, at a 10 per cent rate of interest and then request a year later for the repayment of \$11 billion in capital and interest, that represents the basis of a pyramidal system of debts that we will never manage to pay, if we keep that same indebtedness system.

How can we believe that all public bodies can repay \$11 billion when they received in fact only \$10 billion?