

St. Lawrence Seaway Authority Act

I agree that the needs are immense, and our party feels that when it comes to increasing the country's economic growth, capital expenditures which enable Canadians to live must be made. Indeed it is better to spend our money in that way rather than for social or unemployment assistance.

And now I would like to add a few words about the liabilities shown in the St. Lawrence seaway authority's report. I find the situation truly alarming. For instance, under section 25 of the act that was passed, the seaway authority borrowed \$334,500,000; on December 31, 1959, it was unable to meet the interest amounting to more than \$19 million, and payment was postponed; on December 31, 1961, payment of the interest was again postponed, as well as on December 31, 1962, so that those liabilities total \$383,880,008.

It is quite disturbing to be faced with such an accumulation of debts.

I am wondering also what the rate of interest is going to be on that loan. Following a brief analysis, I find that on the current loan the average rate is 5.70 per cent, at least as far as the year 1959 is concerned. That is quite a high rate of interest, but this does not seem to bother the government.

Does not the government think that this will result in some serious inflation, since it is believed that an accumulation of debts and interests generally causes wretched inflation? That is where the danger lies with our present financial system.

I am convinced that the government is in the process of creating some sort of monster. It is impossible to keep on going with such a system under which interests pile up at a staggering rate and debts keep on increasing. It seems to me that other solutions can be found. That is why I am going to the trouble of speaking about it.

Finally, I was just reading an analysis by one of Canada's greatest economists, who said more or less this: Governments, once in office, always take steps to which often they were opposed when in opposition.

That is why I am hopeful that the present government will give special attention to the 11 members of the Social Credit party in this house who advocate theories that have been studied for more than 40 years by distinguished economists, and that in order to improve the financial system.

There are eleven of us representing this party in the house. On several occasions we offered some solution and more particularly we suggested creating social capital or public credit bank. Such an institution might, in a case like this, help carry out projects needed for the economic development of this country, while not significantly

[Mr. Cote (Chicoutimi).]

increasing the debt or the interest load. That is the main point. We must stop creating such inflation.

I more particularly remember that, during the last election, our friends who are now in power had a holy terror of inflation as well as of our party, because inflation in itself is an abominable thing.

We are among the first to fight inflation by all available means. That is why we warn the government to be very careful in this respect and we would suggest to its members to delve into the economic methods which might be gradually applied at this time.

I would not say that we could change our economic system overnight. Yet, I maintain that it is possible to modify our financial system and gradually to establish a new one which would be in keeping with the age of automation and mechanization in which we live.

Mr. Belanger: Mr. Chairman, I would like to join the hon. members who have spoken before me on the matter under study and set forth our group's viewpoint.

I understand that the resolution tends to improve shipping on the St. Lawrence seaway, more particularly by doubling over the years the traffic capacity of the Welland canal.

We have no more objection to that than the previous speakers. We are in favour of all improvements likely to promote the economic activity in our country. All this will be beneficial to everyone, not only where the improvement is being brought about but throughout Canada. Therefore, we have no objection in principle to the proposed improvements.

However, I should like to join the hon. member for Kootenay West (Mr. Herridge) who suggested that we did not have quite enough information about the actual need for such improvements. I also add that we did not obtain many details or explanations about the procedure to be followed in order to find the additional \$190 million requested in this legislation.

I imagine that the usual procedure will be followed: money will be borrowed in order to provide the necessary funds for the payment of those improvements. This is what was done in the past; money was borrowed at interest rates that were so high that, up to now, it was impossible to repay the interest. They merely accumulated and were consolidated with the already existing debt.

In this connection also, I wish to raise a minor objection, concurring in this respect with the hon. member for Chicoutimi (Mr. Côté).