

*Bank of Canada Act*

In my opinion, the importance of the municipal governments is thus emphasized, since there are 4,000 municipal governments right across Canada.

Since there are three banking administrative levels and, therefore, three taxation levels: federal, provincial and municipal, there are, of course, three levels of public financing: national, provincial and municipal. And, there too, the whole business must be controlled by one head, with a unified thinking, at the three administrative levels: federal, provincial and municipal.

If we do that, Mr. Chairman, we will eliminate all international financing for our provincial, municipal and private needs. Our financial system can and must meet all its financial and monetary needs, as our economic system can satisfy its production, its capitalization, its consumption, by the use of our natural resources, our manpower, our competent technicians and our graduate engineers, having had experience in the various levels of our economy.

If we do that, Mr. Chairman, we will no longer have international deficits, brought about by a surplus of wasteful interests paid to foreign countries on bonds which we have the duty and the power to create ourselves instead of leaving it to other countries, by offering for that purpose the same guarantees, that is our natural resources, our manpower and our capacity to pay taxes.

If we were to do this, our Canadian dollar would not fall to 92 cents but would remain stable at 100 cents on the dollar. We would no longer have to bear the shame and humiliation and the financial burden of a 7 or 8 per cent discount on our national currency outside our own country.

Now, Mr. Chairman, the Bank of Canada has a great role to play. If only our ministers and our representatives of the people had the courage to do this.

The only thing involved is a simple gesture. If we had in parliament a majority of members in favour of managing the country according to scientific and honest methods, in accordance with the facts, we could correct many a deficiency in our economic system and consequently, render an outstanding service to our population. Our economic system has many deficiencies. There is great uneasiness in the field of finance.

• (3:40 p.m.)

The main factor, in finance, is the Bank of Canada. That is as it should be, and it is under its aegis that the whole Canadian

[Mr. Latulippe.]

economy should be given an impetus, come to life and grow.

If the bank is mismanaged, if the flaws preventing the bank from performing its true function are not removed, if regulations found to be unsatisfactory, as far as the people are concerned, are not amended, we, as the representatives of the people, are remiss in our duty. In order to provide the necessary services to the people, all that need to be done is to pass the kind of amendment I am now suggesting, so that all public bodies may be given the necessary impetus to improve the Canadian economy and to finance school boards and municipalities without interest.

School boards, municipalities and all public bodies which would be financed by the Bank of Canada would pay their debts, this would give a certain amount of confidence to the nation, and the nation as a whole would benefit therefrom.

Thanks to that system, the Minister of Finance, the provinces, school boards or municipalities would no longer have to sell bonds to the people, draining the economic blood of the nation, in order to enable the citizens and private enterprise to develop.

Mr. Chairman, that is how private enterprise is kept from developing, for public enterprise does nothing but create debt and deprive private enterprise of the money it should have to grow and progress.

If the Bank of Canada were used to put in circulation the capital needed to finance all the public sector, there would be enough left in the chartered banks to finance private enterprise and then, there would be capital to develop our natural resources, to control our trade and industry and foreigners would no longer be allowed to control our credit.

It is about that same credit that the Minister of Finance is asked to do something. The real credit of the country must not benefit only the foreign countries which will invest capital in Canada. It must also be good for the Bank of Canada which will use the same guarantees to issue the credit needed, without interest, to finance part of the country's public assets.

Then, Mr. Chairman, new industries would spring up in Canada, the private sector would expand in all directions, new factory owners would appear, and new factories, the unemployment rate would fall, because the Canadian government would then take steps which would greatly help the Canadian people by enabling them to live, to grow, to prosper and to develop more in all fields as well as intellectually, physically and morally.