

Supply—Finance

Mention is made also of the decrease in Canadian reserves, that is \$100 million at the end of January, and another of \$113 million at the end of February.

Further on, the hon. Minister of Finance also says, as found on page 7335 of *Hansard*:—the rhythm of growth slackened, particularly in business capital spending while employment and production levelled off.

Mr. Chairman, the hon. minister uses all sorts of expressions, in speaking to us of cut-backs in spending, tax increases, the rising level of unemployment, and so on.

Oddly enough, this makes me think of a speech made by another candidate for the Liberal leadership, Mr. Eric Kierans who said, according to the October 2, 1967 issue of *Le Devoir*:

What would be the economic fate of a separated Quebec?

In his speech on a "separated Quebec", Mr. Eric Kierans said that separation would entail increased unemployment.

In his speech yesterday, the hon. Minister of Finance also tells us that employment has slowed down and that unemployment has increased.

In his speech, Mr. Kierans also mentioned that the separation of Quebec would lead to poverty, because expenditures would have to be reduced. Now, in his statement of yesterday afternoon, the Minister of Finance announced that the federal government had to reduce expenditures and restrict the number of civil servants.

On the other hand, in his speech of October last, Mr. Kierans said, and I quote:

Foreign capital will stay away from Quebec.

In his remarks yesterday, the Minister of Finance also announced the withdrawal of foreign capital, which is being redirected to the United States. They were the very same arguments put forward by Mr. Eric Kierans, candidate in the Liberal party leadership race, last October, in a hypothetical and psychedelic dream: the seven plagues of Egypt.

The Minister of Finance tells us today that the seven plagues of Egypt are raging throughout Canada, that unemployment is increasing, that production is slowing down noticeably, that expenditures must be cut, etc.

Mr. Kierans was trying to scare us at that time. The present Minister of Finance tells us: The seven plagues of Egypt are here.

Mr. Chairman, following the speech in which the Minister of Finance announced that we were faced with the situation against which Mr. Kierans was trying to warn us, I tell myself that if Quebec wants to avoid those seven plagues of Egypt, it should withdraw from this administration economically and financially directed by the present Minister of Finance.

Mr. Chairman, the reason for that is very simple. Canada has never been able to develop an entity of its own and become independent.

We are told about Canada's dismal economic situation at the present time. Mr. Chairman, with regard to that situation, I would like to refer to two questions I recently put to the Minister of Finance.

The first one was as follows:

Has Canada granted any loans to England since 1938?

What was the amount of each of these loans?

What was the interest rate on each of these loans?

What amounts were not paid back at the date of maturity?

On January 31, 1968, I obtained the following answer:

In 1943, a loan of \$700 million, interest free, was granted to Great Britain under the 1942 legislation. That loan was granted without interest.

Other loans were granted at 2 per cent interest. They were not then granted under a war legislation, but in accordance with a 1946 legislation, even if war had ended. In fact, they were granted on account of the affection of the Minister of Finance of the time for his mother-in-law, Great Britain.

Those loans at 2 per cent interest were refundable in 50 instalments.

What were the amounts granted?

In 1947, \$640 million. It was a large amount, but it was not enough!

In 1948, another loan of \$368 million was made. That amounted to a big figure in two years, but it was still not enough.

In 1949, \$37 million. In 1950, \$120 million. In 1951, \$20 million.

All these loans, Mr. Chairman, made up a total of \$1,185 million loaned at 2 per cent interest for a 50-year period and repayable in 50 annual instalments.

When I asked whether the amount was repaid, I was told that the United Kingdom still owed us the whole amount in 1951, namely four years after. At that time, nothing had been repaid yet.