

*Supply—Finance*

bank. Let private debts be financed by private banks.

Chartered banks are private institutions, so let them finance the private sector of the economy. But federal, provincial, municipal and school administrations are public bodies that ought to be financed by a public body, the Bank of Canada.

I cannot understand and cannot admit that Canada, if it is the sovereign country, the sovereign state it claims to be, should have to borrow from private institutions whose goal is to make a profit through the people's taxes. That is inadmissible. Let private banks finance private enterprise in our economy, but let the Bank of Canada finance our public services, road construction, bridges, hospitals, all public works, in short, all public expenditures. A public bank must do this and not a bank whose object is to make a profit; for it is inadmissible, anti-social to see private enterprise making astronomical profits—\$1,101 million in the case of the federal government alone—from the government. The government can levy taxes, but it must not exist to make private enterprise such as chartered banks benefit therefrom.

It is all very well to continue having chartered banks, but let them operate for private enterprise and not in the field of public services. There lies the difference. As far as the public sector is concerned, the Bank of Canada, a public bank, should be used to finance not only Canada's debt, but also the debts of provinces, municipalities and school boards, and all projects essential to Canada, no matter at what level. Public works, for instance, should be financed interest-free by the Bank of Canada which is not in business for profits but to serve the Canadian people.

Therefore, public debts should be refinanced through the Bank of Canada. The government did not want to do this in the past, but a great deal of money would thus be saved.

I am convinced that if the Minister of Finance could allot \$1,101 million more to the various departments, and then he could afford to increase family allowances, old age pensions and undertake various projects, and even reduce taxes.

One billion, 101 million. When one thinks that only \$121 million are ear marked for the Department of Agriculture. And yet, all of it is not for the farmers. Most of it goes to pay for red tape and the cost of bureaucracy in the various departments.

[Mr. Grégoire.]

If only there were more to help the people and less for the financiers. And what about the fact that the interest on the public debt is twice the amount spent for family allowances distributed among all the Canadian children. The chartered banks of Canada get twice more in interest than the Canadian children receive in family allowances. This is what is unthinkable, Mr. Chairman.

Not only is the interest a cancer which eats away the federal, provincial, municipal and school budgets, but it must be realized that the chartered banks of Canada receive in interest twice the amount paid to all the Canadian children in family allowances.

Mr. Chairman, I say this constitutes an anti-social policy. We do not advocate reducing or abolishing debts, wiping them out or writing them off, no. But let us have these public debts refinanced by the Bank of Canada, which is a public bank.

Let the private banks remain in the private field but let the Bank of Canada handle the public field.

Here, Mr. Chairman, is one of the major problems we have to solve. The Minister of Finance, I know, does not seem to take this suggestion seriously; it seems to be over his depth. It seems to him something idealistic.

**Mr. Guay:** That is right.

**Mr. Grégoire:** Mr. Chairman, the hon. member for Lévis says that is right. But let the Minister of Finance beware lest he realize one day—because he has not yet consented to study the matter—that the interest on the debt is driving the country into a depression and that the national budget is being eroded by \$1,101 million.

He should know that if the government had this sum of money, it would be used to help the children of his county and other counties by increasing family allowances.

If a private bank is able to finance public works, why could a public bank not do the same? Let the Minister of Finance tell us why the government gave the Bank of Canada that name, if not to finance such undertakings? And if it is a public bank, why should it not finance public works? Does the government lack the sovereignty and the power to control its own public financing organization?

Is this what—

**Mr. Laniel:** Is this what Mr. Bennett wanted to do with his Bank of British Columbia?

**Mr. Grégoire:** You will see, that might help him to finance some projects in his province.