

municipal and school, to pay twice to produce something, to build something, to achieve something and leave the control in the hands of a few individuals?

Mr. Chairman, we are not asking the minister to nationalize the banking system, no. We ask that full and complete use of the services of the Bank of Canada be resorted to, through mobilization and through usage, so that it may enable our school boards for instance, to get out of the financial mess in which they are now, for the provinces to secure credit, instead of forcing them to go on bended knees to New York or to Belgium to obtain funds to develop their provinces and to ask Washington for permission to build a road in the province of Quebec or in the province of Ontario to build power dams in our province, to go and get funds in Belgium or France and to compel the province of Quebec or any other Canadian province to do likewise, while we have the required technicians, engineers and all that in Canada.

We are unable to have a monetary system make it possible for us to finance the public sector which concerns all the people and ourselves. The Minister of Finance does not say a word about that, he is as good at mathematics this year as he was last year or three years ago. There are only two ways for him to find money—loans or taxes. Before taxing he must borrow—and the minister, of course, agrees with that. And when enough taxes have been levied and there is till a lack of funds, one has to resort to loans, one takes on new debts and taxes are collected under a new form as it was recently done for old age security. Taxes are doubled from \$120 or \$122 to \$240. That is the Minister of Finance's system. And when we tell him that we are living in a financial world which can be dubbed a world of lunatics and that we are administered by the most prominent among them, we are called demagogues. This is what we are told when we say to the minister that he should assume his responsibilities and not amend the monetary system as he is now doing.

We have had typically Liberal or Conservative monetary reforms. Sure. We once had very small five-cent coins. A monetary reform was undertaken and nickel five-cent coins were issued. That was a monetary reform. At one time, we had small twenty-five-cent bills. They were replaced by twenty-five-cent pieces. Another monetary reform.

*Bank of Canada Act*

However, this did not increase the amount of money in circulation. Nothing was changed. And the situation remains the same.

A former Liberal Canadian prime minister, William Lyon Mackenzie King, said in August 1935, before the general elections and after the Bank of Canada Act was passed and implemented in that year, that as long as the government and parliament did not regain control of the amount of money put into circulation and the credit issued in Canada, it was futile and useless to believe in a sound democracy. It was a waste of time. Those were the words of Mr. King, former spiritual father of the present Minister of Finance. The Minister of Finance has completely forgotten this fact, but we remember it, Mr. Chairman.

**The Acting Chairman (Mr. Richard):** The hon. member for Mount Royal.

**Mr. Trudeau:** Would the hon. member allow me to ask him a question?

**Mr. Caouette:** Certainly.

**Mr. Trudeau:** Does he not think that the people would not make an effort to buy government bonds with their savings if the government did not pay interest?

**Mr. Caouette:** This has nothing to do with the question. Let the government have recourse to issues of bonds bought by the Bank of Canada. Why should the Bank of Canada not be the one allowed to multiply this sum by 12.5?

**Mr. Trudeau:** The people are the ones who pay. Would they do so if they knew they would get no interest?

**Mr. Caouette:** Instead of paying the government or financing the government, the people would finance the establishment of new industries, for example in the province of Quebec, which is said to be underdeveloped, and perhaps also in other provinces. Instead of letting the central government benefit by these savings, let us use them to encourage the people to invest their savings in the establishment of new industries and the development of natural resources in the province. That would be logical and we would agree to such a thing.

**Mr. Trudeau:** I believe that the hon. member has not quite understood. Would the public lend money, in the public sector or elsewhere, if no interest were paid?