

task that consists in making all Canadians aware of the danger involved.

Our society would not be able to survive much longer to an economic situation leading towards disaster. In order to correct the situation, one must above all examine the main factors paralyzing our economy and leading thousands of people into unemployment.

In the budget submitted to us on June 23, we can consider, with regard to expenses, that the public debt amounts to roughly \$3.74 billion for the next financial year, which represents the jolly sum of \$10 million a day, which sum must be paid every time a working Canadian gets up in the morning to go to work. Our national debt has reached the astronomical sum of \$55 billion, whereas it was only \$75 million in 1867, which means that in our civilized society, the more a person works and the more a country is developed by the work of its inhabitants, the deeper the country sinks into debt and becomes, as a result, the slave of those people who control its monetary system.

I wish also to point out that provinces, municipalities and school boards are progressively running into debt. I wish to stress the increase in the national debt during the past eight years, as recorded in *Hansard* in reply to question No. 2238 which appeared on the order paper. We are told that the national debt in 1967 amounted to \$30 billion, in 1973 to \$51 billion and in 1974, to \$55 billion which means a jump of \$25 billion in seven years. Where are we heading?

It is not surprising that it is extremely costly to pay interest on a debt which is rising at such a rate. The growing debt is also given for each province. I invite hon. members to refer to that very telling table. It is then that we realize why municipalities are unable to discharge their responsibilities, since 60 per cent are compelled to spend 75 per cent of their revenue to servicing the debt. I think it is time to do something about that.

The abusive interest rates are a cause of inflation. However, Mr. Speaker, how can we continue to finance the public sector without running further into debt. This is the question which must be raised. We are often told: You, members of the Opposition, you criticize but you do not propose anything. Well, I hope hon. members are listening carefully to the proposals I am going to make, and also the other proposals that have already been made. We want to improve the situation, therefore I hope that altogether we will succeed.

Mr. Speaker, I want to make meaningful proposals and I ask the Minister of Finance to give them his best consideration and to take the necessary steps to have them implemented. These steps will not produce miracles, assuredly, but their results will not be any worse than those we have experienced with the formulas used up to now.

First, the government should control the whole money supply in Canada by using the real bank of Canadians, that is the Bank of Canada, which holds only 5/12 of the whole and yet, all Canadians are shareholders of this bank.

I want to quote an article published by *The Spectator* in July 1972, that reads as follows:

#### *The Budget—Mr. A. Lambert*

In a true democracy, the government is made up of persons who have been elected by a majority and have the freedom to serve the major interests of those they represent.

I support that idea. Obviously and in many ways, the will of the people is not respected. Thus more than 600,000 people are unemployed in Canada while, in my opinion, there is an enormous amount of useful work to be done. Canada urgently needs hundreds of thousands of new houses for families with moderate and low income.

The present trend towards high-rises woefully reminds us of people being pressed into sardine cans and destroys family life. Our policy must take another direction. Canada has sufficient manpower, materials and know-how to achieve those objectives. The only major obstacle is the excessive cost of borrowing money to finance such projects. It is a barrier.

Several years ago, the government, for reasons that have never been very clear, gave private banks the privilege of creating from 90 to 95 per cent of the total monetary resources of the nation in the form of bank deposits. And, of course, those banks have a tendency to lend only to the borrowers who are able to pay interest. They too decide which activities will be eligible for the money they gather and lend; indeed, most of it is devoted to all sorts of speculative and luxury activities, instead of meeting the essential needs of the public.

The government itself is a customer of those private institutions, and the ones who pull the purse strings are obviously in a position to direct and monitor policies.

Mr. Mackenzie King, a former Prime Minister of Canada, declared in an article entitled:

Problems as I see them.

It was published in the September 15, 1935 issue of *Maclean's*. He wrote:

Once a nation loses control over its currency and its credit, it does not matter much who in that nation makes laws. Once in control, money lenders will ruin any country. Until this control is regained by the government and recognized as the most evident and sacred of its responsibilities, any debate on the sovereignty of Parliament and democracy is in vain.

It is Mr. King, the former Prime Minister of Canada, who wrote that article.

Private banks should not be entrusted with creating jobs for all workers, nor seeing that the money recently put in circulation be devoted to sectors providing for the essential needs of people. It is obviously the primary responsibility of the government which is made of the elected representatives of people. To date, the government has completely failed to reach that level. Mr. Speaker, it is obvious that the solution to the urgent economic and social problems of Canada requires that the elected government, the present Parliament and not private banking should be at the helm of the state.

The Minister of Finance must, as his primary responsibility, ensure the government with all the funds necessary to administer the acts adopted by Parliament. To do so, he has two means available, one of them being more known than the other—personal and corporate income tax.

The other means, which is far less well known, would be to use the Bank of Canada to finance the public sector and