

*Bank of Canada Act*

The provinces, Mr. Speaker, will not be able to operate for very long, under the present system, because they have gone deeply into debt; they are no longer able to tax citizens because taxes now exceed incomes. People have to put up their homes for taxes in several municipalities, because a number of citizens can no longer pay their municipal and school taxes.

It is time for us, Mr. Speaker, to intervene through the Bank of Canada, which could issue credits to finance public property. There remains to identify the kinds of property which are to be financed. One must differentiate between public property and private property and indeed between the public and private sectors. What the Créditistes are asking for is not the direct payment of family allowances or the direct payment of old age pensions but rather the financing of the public sector, of the provinces—the province of Quebec as all other provinces—so that they can start on their own projects.

In the province of Quebec, Premier Bourassa wants to go ahead with the James Bay project. It is unfair, Mr. Speaker, to allow the Quebec premier and indeed all the other provincial premiers to crawl before the financial magnates of other countries for loans that they could obtain against the same property the Bank of Canada would accept as security. What we are really asking for is that the Bank of Canada grant credits against the same values accepted by other countries. When the United States lend money or grant credits to the Quebec premier they grant credits against the par value, the actual value of Quebecers. The Bank of Canada could do the same.

Mr. Speaker, we could lend money free of interest to the provinces at the administrative cost because it does not cost any more to register \$1 billion in a book than to register \$1. Indeed one does not need to exert more energy to do so. Therefore, with the same values we could finance our provinces, our own institutions and thus get out of this chaotic situation.

Never, under the present system, will we pull out of our depression. The more we apply the system, the deeper we sink in, the more we get bogged down, and the more Canadians worry because the national, provincial and municipal debts grow daily. Our taxes, of all sorts, also increase constantly.

Day after day, Mr. Speaker, new citizens are being ransomed, and new families have to rely on social welfare and public charity. The country can no longer operate without almost 50 per cent of the people living off public charity. If that is called good administration I really do not understand what good administration is. And the situation certainly cannot improve when 50 per cent of the people live off welfare. This situation will surely not pull Canada out of the hole. That is certainly not how we will help the provinces to develop.

Every time we want to do something under the present system, we have to go into debt. Every time we want to do something in the present system we are forced into debt and have to pay interests, to pay off more than we borrow. That is one of the reasons, everybody is deprived.

When we have to impose taxes, we must ask ourselves where Canadians will get the money to pay them. In fact, they have to borrow that money and to pay it back. And

[Mr. Latulippe.]

governments then grab part of the money borrowed by Canadians who find themselves in a position where they are unable to repay their debts, and this no doubt explains all the bankruptcies we witness today. Never in our history have we seen so many bankruptcies. And I will show you later on how much the government lost in terms of the 12 per cent tax or in terms of personal income tax as result of bankruptcy. That amount is fantastic and the government itself is on the verge of bankruptcy because it is no longer in a position to borrow money.

Therefore, if we want to do anything useful we have to change the system and that is the purpose of Bill C-14 which would allow the Bank of Canada to make loans to provinces as we do for foreign countries.

We have nothing against assistance to underdeveloped countries, notwithstanding what the hon. member said earlier. We are far from being against this aid, but if we can make loans to foreign countries without interest, and for periods of 60 to 70 years, we can do the same for Canada and for any province. We would then act as real businessmen, able to obtain credit on the basis of our country's resources. Our currency would be based on the actual values we own, not to create money at random but simply to do the same thing we do for foreign countries. Those credits would be issued by the Bank of Canada which would create credits according to its wishes and the guarantees we could offer; this would enable us to develop our country.

As long as there is manpower, engineers and construction materials to build with, there should be no problem. Every time we want to do something, we run up against a shortage of capital. Few people fear a shortage of materials to build houses, or a shortage of footwear, but everyone worries about finding the "scrap of paper" needed to buy those shoes or build those houses. When it is possible to develop something in this country, it should also be possible to finance the undertaking.

Mr. Speaker, I shall leave it to others to express their views on this point, to agree or disagree with us. We know we will never be gladly supported by all hon. members because they have obviously not understood the workings of our economy. They have failed to understand that it would be logical and healthy to make our own financial means available to the people of Canada to allow them to develop and, at the same time, to stop getting deeper in debt.

Before concluding my remarks, I will say that it is illogical that a government should get in debt with itself. The \$45 billion debt of Canada is one that the government has incurred with itself. It is quite difficult to do so, but that is what is done in the present system, something of which a great many members, citizens or businessmen are unaware. One makes debts with oneself and finds it logical.

[English]

**Mr. H. T. Herbert (Vaudreuil):** Mr. Speaker, I have always enjoyed the oratorical prowess of hon. members to my extreme right. When I first entered federal politics just a few months ago I had the misfortune, through alphabetical listing, always to follow the Creditiste member. I have never suggested that I have the brilliance