

Supply

possible the sources or revenue which would allow them to provide the services for which they are responsible as the government closer to the people.

According to the statistics, for Quebec in 1970, 1652 municipalities had a debt of \$2,083 million with annual interest of \$232,470,000 seriously affecting their budget.

For example, the budget of Trois-Rivières is burdened with interest on the public debt of 28 per cent, while that of Cap-de-la-Madeleine reaches 34 per cent and that of Trois-Rivières Ouest 57.4 per cent.

We could draw up a very long list of municipalities affected by the very heavy burden of interest on the public debt to which they must devote a considerable amount of their revenue.

Now, the government is introducing supplementary estimates to give effect to the statement of December 6, 1972 restating the contents of the press release and allotting the share to each province, provided they sign the agreements with the federal government to carry out some projects which were also listed in Annex I to the press release of December 6.

At first glance, it seems advantageous; one has the impression that the government is very generous, but on reading page 16 carefully, one realizes the government is using the provinces and the municipalities, under the present financial system, to mortgage the Canadian taxpayer even further for the benefit of those who control credit.

The federal government is placing \$350 million at the disposal of the provinces but it has yet to decide to obtain that money from our banking institution, the Bank of Canada. In fact that money represents loans from those who control credit or taxes on the income of workers and corporations.

The cost of financing in the public sector is thus doubled, because the federal government itself pays interest, and then lends to the provinces and municipalities at an unknown interest rate, since the credit under study states, and I quote:

the obligation bears interest payable annually at the rate applicable pursuant to Subsection (1) of Section 113 of the Canada Pension Plan, at the time of the issue of the obligation—

If you get down to the bottom of things you discover that again we cannot base ourselves on a predetermined rate of interest because under the paragraph I have just quoted the Minister of Finance is authorized to set the rate under certain circumstances.

Further on, it seems an attempt is made to gild the pill; it is said that the federal government will be generous provided the municipalities are willing to invest in public works.

Municipal projects usually cover water and sewage works, road building, paving, etc., difficult to carry out in our province during the winter months because of our country's very severe climate.

I feel the program should not be carried out exclusively during the winter months, from December 1 to May 31, but during a more favourable season, which would bring down the cost of operating machinery and result in better work. After all, it is not only in winter that the unem-

[Mr. Lambert (Bellechasse).]

ployed eat. So it would be normal that they be given the opportunity to work in more human conditions so that they can be shown that they are not considered as slaves but as full citizens who have a right to the benefits of modernism.

It is said in paragraphs d, e, f and g that the government will forgive that portion of the principal amount in a proportion of 50 per cent of the normal direct costs of labour hired locally during the period commencing December 6 1972 and ending May 31, 1973. And it will be repeated until the end of 1975.

Everyone knows today that in the building industry, and mainly in the area of the works I mentioned earlier, less and less labour is used. The job is performed mainly by heavy machinery; one operator with his machine can do the work which would have required hiring 25, 30 or 40 men 15 or 20 years ago.

On this 50 per cent forgiveness the municipalities should be allowed to include the operating cost of machinery used to carry out these investment works. I could go further but I think that the time has not come yet. Hopefully the day will come when we will have progressed to the extent of using, as I said earlier, our national financial institution to finance the public sector at the level of the municipalities, of the provinces and of the federal government, at administration cost. The Bank of Canada should be able to create the required credit to grant loans at cost to these various government levels, loans refundable at the rate of depreciation which we shall have created when spending this money.

I think we are appreciably moving in this direction since the Canadian Union of Mayors and Municipalities has already presented two briefs to this effect to the federal government. In time and with up-to-date members—because there are many young members in this House and they are willing to put progress at the service of society—for progress to be put at the service of society we shall have to modernize our financing system. We shall have to give up this outdated financing system which was suitable a few years back but does not fit at all our modern techniques, the quick rate of production which we know now and which we will know even more in the years to come because progress is with us to stay.

• (1620)

Mr. Speaker, I feel that we should try to have our whole society benefit from the advantages provided by that progress, instead of having it become its victim, this being contrary to reason.

Therefore, in order to have such progress really serve society, we must very seriously consider the principle that everything materially possible for men—because men exist, as well as materials, but funds are lacking—should be possible financially, because finance is an artificial creation. I have never seen dollars growing in my fields; yet, I have tilled them for a long time, and I was doing it seriously. I have not seen dollars growing behind my plough. I have not seen the thing happen either inside industries. Money is made somewhere; the point is to know where and how it is controlled. More and more people realize that the dollar is an artificial creation and