

same time as I, some 10 days ago, and he promised that a Progressive Conservative government would improve the conditions over there by getting better prices for fish. He had also made the same promise to the western wheat growers and the dairy producers in Quebec. And upon his return to the House, he proposes freezing prices. This is completely incompatible!

Mr. Speaker, this matter, as I said earlier, is most important because it concerns Canadians. I would bet my shirt that tonight, on the CBC news, instead of reporting on this important item, they will talk about Viet Nam, as usual. They talk about the problems of foreign countries rather than Canadian problems; they forget to talk about our own problems—

Mr. Grafftey: Do you not think there was a problem in Viet Nam?

Mr. Caouette (Témiscamingue): It is certainly not a Canadian problem.

Mr. Grafftey: Not a Canadian problem?

Mr. Caouette (Témiscamingue): It is not a Canadian problem. Our problem is the rising prices in Canada. By all means let us take an interest in what is going on the world, but let us begin by putting our own houses in order, including that of the member for Brome-Missisquoi.

Mr. Speaker, in Canada we have provincial governments. In Quebec, we have a Liberal government, as in Nova Scotia and Prince Edward Island. In Ontario, Alberta, New Brunswick and Newfoundland there are Progressive Conservative governments. In the three remaining provinces, British Columbia, Saskatchewan and Manitoba, there are New Democratic governments. Let us go and see if people are better off in those provinces, if prices are lower and if the cost of living is less than we know it to be in Ottawa, if we are to believe Canadian statistics.

Mr. Speaker, it is all very well to say: If I were in power, I would do this or I would do that. But the Progressive Conservatives were in power when inflation was growing in Canada. Why did they not fight it? Why did they not wipe it out? Why did they not take some action? Why did they not introduce legislation?

Mr. Speaker, it is all very well to say to the government: You have not done it right. But what would we do in their place? Even the spokesman for the Progressive Conservative party who spoke just now did not offer any solution. The Minister of Finance (Mr. Turner) said after that: There is no magic solution. So we have to put up with the present state of affairs, because there is no magic solution.

Mr. Speaker, the problem in Canada is not so much prices as the loss of our products. That is the real problem. Prime Minister Trudeau boasted recently that Canadian production would reach \$102 billion for the first time in history, while the gross national income, including parliamentary allowances, everything included, would be about \$70 billion. Now, I should just like hon. members to ask themselves: how and when can you buy \$102 billion with \$70 billion? That is a simple enough rule. How and when? Mr. Speaker, it is the system that tends to inflation, that leads us straight to inflation.

Increased Cost of Living

Not long ago Premier Bourassa of the province of Quebec went to the United States to borrow \$100 million to finance part of the James Bay development, in the constituency of my colleague from Abitibi (Mr. Laprise); he managed to borrow this sum at 10 per cent interest for a period of 25 years. Here again, those who have done elementary mathematics can easily see that in 25 years we will be paying \$250 million in interest alone, and that we will still owe the \$100 million capital we borrowed.

Mr. Speaker, did the premier of the province come back from the United States with a cartload of American dollars? No: he came back with what is called a promissory note, a little piece of paper marked \$100 million, 10 per cent interest, 25 years, signed Robert Bourassa, the whole thing endorsed by the entire population of Quebec province. So it all works by figures. What did the Americans base their \$100 million on? On what they have? The Mississippi, Watergate, Mr. Nixon's election? No! They based the \$100 million on the feasibility of the James Bay project. If the project had not been good, Mr. Bourassa would not have got 25 cents from the United States. They studied the project and said: "All right, we will finance it".

Mr. Speaker, that is why we suggest using the Bank of Canada. The governor of that institution can write figures too. Based on what? Inflation? No; based on the James Bay project. He can do the same thing as the Americans. And then, we could lend to the provinces, and not just to Mr. Bourassa, without interest, as we so kindly do for India, Thailand, South America, countries of Europe, Africa, etc. They are interest-free loans for a period of 60 years. Recently a \$48 million loan was granted.

Mr. La Salle: For the purchase of Canadian products.

Mr. Caouette (Témiscamingue): Yes. Would the James Bay development project not also permit buying Canadian products? It is the same thing. An agreement to purchase Canadian products can be entered into in Winnipeg, in Quebec, in British Columbia. Obviously, we would not be purchasing all our material in Japan with those \$100 million. Let us buy here, in Canada. There can be agreements between the provinces and the federal government. And the Bank of Canada is there for that purpose.

Mr. Speaker, they think that is funny. By the time India reimburses those interest-free \$48 million loaned for 60 years, the right hon. Prime Minister (Mr. Trudeau) will be 115 years old and he will no longer be around. As for little Justin, he will be barely 61. That is about the only change there will be.

Mr. Speaker, there is a solution to fight the current inflation: lower interest rates, make use of our financial institutions, become masters of our credit instead of going begging abroad. Do you think it is pleasant to see representatives of our municipalities going to Europe, to Switzerland, to Germany to borrow money for the development of our natural resources? It is inconceivable that a government tolerates such a situation. As long as we continue in that direction and keep talking about price controls or control of whatever you want, this will lead to absolutely nothing.

Mr. Speaker, the Minister of Finance talked about a miraculous solution, but there is none. We have been