

country as ours while at the same time remain the slave of an economic system which is exploiting the people hideously, as it is now the case. This shows that in the future we must not fear that huge power which the financiers seem to wish to use to scare Canadians. On the contrary, we want people to be enlightened, since we want to make financially realizable what is physically possible. If the government wants us to lend money to Brazil, we will have, in order to pursue the development of Canada to lend money also to the Canadian people, without interest, for 25 to 30 years, in order to enable those who would like to own a property, to get it without paying three times its price.

We, of the Ralliement Cr ditiste, rise against such scandalous exploitation and when loans are made to foreign countries, we cannot admit that the same cannot be done for the Canadian people the municipalities, the school boards, the provinces, in order to find, through the Bank of Canada which is the servant of the Canadian people, the final solution to the economic problem which is an obsession for everyone at the present time.

**Mr. H. E. Gray (Parliamentary Secretary to Minister of Finance):** Mr. Speaker, in my opinion, the Central Mortgage and Housing Corporation has not set the interest rate, but rather a ceiling for interest rates on mortgages which will be guaranteed by the Corporation. The purpose of this is to encourage the private sector to make more funds available for housing mortgages.

The loan to which the hon. member referred was made to Brazil under the agreement signed by Canada with the Inter-american Development Bank. The Canadian external aid program to Latin America was initiated in 1964 with an appropriation to that area of a certain amount of money, charged to the Development Loan Fund which had just been set up. The agreement then concluded

*Proceedings on Adjournment Motion*

with the Interamerican Development Bank contained arrangements whereby contributions to Latin America would be administered through that institution. According to the agreement, loans may be granted interest free, reimbursable after fifty-year periods with provisions for 10-year delays.

This loan will enable Brazil to undertake a technical and economic feasibility study with regard to building an airport for supersonic and giant airplane. A consortium comprising two Canadian firms, Parkin Associates Ltd. and Acres International Limited, in addition to a Brazilian firm, has been awarded the contract for the study.

In my opinion, this assistance helps create work for Canadian firms. These special consultant Canadian firms were granted contracts in spite of tight competition from important firms in other countries. The Canadian group will create a master plan which will consider the possibility of expanding the present airport instead of building a new one and they will determine the most appropriate site for a new airport, etc.

In granting development loans, Canada is endeavouring to establish assistance conditional on the nature of the project being financed and the capacity of the beneficiary to reimburse his debt.

This \$847,000 loan has been granted under these conditions which are in agreement with Canadian policy in the matter of external aid programs to the underdeveloped countries and they are normal conditions for projects of this nature.

**The Deputy Speaker (Mr. B chard):** The motion to adjourn the house is now deemed to have been adopted. Accordingly, this house stands adjourned until tomorrow at 2 p.m.

Motion agreed to and the house adjourned at 10.10 p.m.

---