

Tight Money Policy

public purposes only; such credit must expand and develop according to the needs of the whole country.

Such credit must not be limited in any way but must be issued in adequate amounts and must expand adequately, to meet the needs of the whole country, of the federal government as well as of provincial governments, municipalities or school boards.

Well, Mr. Speaker, Canada's needs today in the public field are tremendous. Take highways, for instance. Our country is as large as the United States. There are people who live on the Atlantic coast and others who live on the Pacific coast. Between both coasts, there is more space in Canada than in the United States. The distance from one coast of Canada to the other is greater than in the United States. But, we have people living on both coasts and we need an adequate highway system between the two coasts of Canada. We need roads like other countries. Although our population is smaller, it lives in the four corners of the country and, by that very fact, it needs highway development. It goes to say that in that field, the need is very great. It has not yet been met, far from it.

To fulfil this need in the field of highways, funds must be extended and developed according to our needs. That requires public funds from a public organization, that is to say the Bank of Canada. I spoke about highways. That could apply to construction of post offices, shipping, veterans, the Departments of Labour, Industry, Trade and Commerce and so on. In the public sector, the needs are tremendous.

Mr. Speaker, I say that the government has a responsibility to see to it that public funds originating in the Bank of Canada are always available, in sufficient quantity, to meet all public needs Canada may have. When credit is restricted in the public sector, bad effects are felt.

• (4:30 p.m.)

For instance, the hon. Minister of Finance announced that this year some projects would not be carried out for lack of funds. That being the case, we must realize that the people of Canada will be affected, because some of their needs will go unanswered, the work will not be done. Those men will be unemployed, some fields such as construction will feel it, and thereby the country will suffer from credit restrictions.

With credit restrictions, we will head for the type of depression we knew from 1929 to 1939.

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Public credit must correspond to the needs, the development of a country; it must be created free from debt and interest, and must serve for the benefit of the country.

Today, credit is restricted. Some projects have been stopped. In Quebec, some projects are needed. In the field of highways, bridges, hospitals, schools, universities, projects will not be carried out because public funds are not available.

When, for example, in Quebec, sick people have to wait for two or three weeks, even six weeks, before they are admitted to the hospital, because there are not enough beds, we can conclude that the government is not fulfilling its duty. It should make available to the provincial governments the credit required for the construction of hospitals in Quebec and in the other provinces that need them.

Credit is not available, to meet all the needs; on the other hand, such credit as is available does not come from public sources, such as the Bank of Canada, but from private sources, from credit that burdens public bodies with debt.

Let us go on. We know Quebec is sinking into debt at an unimaginable rate. For six years now, the Quebec government has been borrowing, and borrowing to the extent where it can be foreseen that, within the next ten or twelve years, a major part of taxes and levies will be used to pay the interest on the debt, as is now the case with the federal government.

The federal government pays \$1,200 million in interest on the national debt. In the province of Quebec, the government is piling up a debt that can never be repaid. It borrows every year and, through its deficits, it is piling up a debt on which interest will have to be paid. The young people of today will have to pay the interest on that debt. And all that, to make up for an administrative deficit.

I suggest that there should be in Canada a public organization which would provide the required funds for public development and administration. Because such an organization is non-existent and because the government is failing in its duty, the provinces are running into debt at present.

Not only provincial governments are running into debt, but also municipalities which are compelled to issue bonds. Those municipalities are financed by private sources in the same manner as private individuals finance the federal government.