

Speech from the Throne

Shades of Social Credit, Mr. Speaker, somewhat akin to what we have long been advocating and suggesting. In fact, the Bank of Canada is empowered by law to make loans to the provinces. It has this power, but no province is taking advantage of this. I have before me the Canada Yearbook for 1970-71. Some sentences have been changed to please those who draft this report.

Mr. Speaker, mention is made of the Bank of Canada, and on page 1224 we read the following:

The Bank of Canada may make loans or advances for periods not exceeding six months to chartered banks, or to banks to which the Quebec Savings Bank Act applies, on the pledge of certain classes of securities. Loans or advances may be made under certain conditions and for limited periods to the Government of Canada or of any province.

To any province! Mr. Speaker, the Bank of Canada has the right to do it. It is said "for limited periods". It is not stated for how long. For instance, "six months" was mentioned previously; it was written in full. The words "six months" were deleted. I am eager to see mentioned the same time limit as is granted to India, to South American countries, to Africa, to all the countries of the world, namely 50 years plus 10 years' grace, a total of 60 years. If the Bank of Canada were authorized to make loans to provinces, municipalities, school boards and to the federal government no nationalization whatever would have to take place. Chartered banks would not be nationalized. The public sector of our economy would be financed without interest by the Bank of Canada.

Forty-eight million dollars were recently lent without interest and for 60 years by Mr. Paul Gérin-Lajoie, the federal representative. Sixty years from now, the Prime Minister will be 113, he will no longer be here but India will start repaying us.

Mr. Speaker, while Mr. Paul Gérin-Lajoie was granting India a loan of \$48 million for 60 years on behalf of Canada—and it should be noted that we have already lent India nearly \$1 billion, free of interest—the Premier of the Province of Quebec, Mr. Bourassa, was in the United States to borrow \$75 million, at 9.2 per cent interest over 25 years: Twenty-five years from now, we shall have paid more than \$200 million in interest only and we shall still owe all the principal, or \$75 million.

Mr. Speaker, Mr. Bourassa does not come back from the United States with a wheelbarrow full of US dollars, but with a small slip of paper that is known as a promissory note and which has the figure \$75 million written on it. The note is signed by Robert Bourassa and endorsed by the Province of Quebec. If Mr. Bourassa had decided to come and meet our good friend Mr. Louis Rasminsky in Ottawa, the Governor of the bank of Canada, and ask him to write \$75 million in his ledgers, would this not have had as much value as 75 million US dollars?

Mr. Speaker, the United states do not base their \$75 million on their own assets, on their own wealth, but on the development of Hydro-Quebec. those \$75 million are guaranteed by our natural resources. They just put the figures down there. Not one quarter, not one nickel comes across the border. Those are figures. But why do we not put down ourselves our own figures, in Canada? That would be a way to get control over the Canadian economy. We would then have control over our credit to develop Canada, to develop our natural resources.

[Mr. Caouette.]

Often I hear the NDP members speak about "American control" and it seems to me that they are right. However we must find something to replace it. We will not become "masters in our own house" by emptying Canada in order to pay back loans but by using our financial resources. If the Americans can make our Canadian credit, why are we not able to make our own credit? And it happens often enough that the Americans—they are not stupid, you know; they are rather clever—are financing our own development with our own credit and afterwards they get the interest from our credit. One develops something with Canadian credit that belongs to the Americans! That is the fantastic blunder of the present time and of the present economic system.

Mr. Speaker, the Créditistes still maintain that private industry is an important part of our economy. Our economy is made up of three sectors: private enterprise, personal initiative and the public sector. Private enterprise will keep on developing under Social Credit as it is now doing thanks to bank credits and to credit unions, finance companies, etc. But the public sector needs to be financed by the Bank of Canada, and this without interest.

• (1240)

The Speech from the Throne, which is almost a word for word repetition of all the Speeches from the Throne I have heard since I came to this House 15 years ago, deals also with economic security.

Mr. Speaker, in order to attain economic security, all factors, namely those of production and of distribution, must be considered. We have everything; production is not a problem any more in Canada. To tell the truth, legislative measures are being put forward or passed at the present time to prevent producers from producing such or such a commodity, in an effort to control production, because there are too many products of all kinds in the fields of clothing, automobile and farm machinery. To give you an example, when I was in Brantford, last fall, the Massey Ferguson yards were overflowing with pieces of farm machinery piled one on top of the other five or six high. We have too much of everything not because people do not need those goods but because they have no money to buy them.

As for economic security, we will have it only when the monetary system is made to serve the people, considering the existing products. The government tries to reform anything and everything. In fact, it tries to reform agriculture, industry and commerce, all departments, all economic activities in Canada, except financial activities.

As to the Bank of Canada's monetary activities, they are not to be discussed. That matter is not to be brought up. I was reading yesterday the speech delivered by my good friend, the hon. member for Abitibi (Mr. Laprise) who was quoting the ex-Postmaster General, the hon. member for Duvernay (Mr. Kierans), who stated and I quote:

—we must stop believing that it is essential for Canada to sell its natural resources.

He was not saying the same thing ten years ago, but he realizes today that the philosophy that is being explained and presented to us by the government, namely that if we want to live decently in Canada, we must export as much as possible, goes against common sense.