

One never hears a shoe manufacturer say that he could not produce shoes because Ottawa or Quebec ate all available leather. However, the manufacturers say that they can no longer operate their plants because the products do not sell, because the citizens are short of money.

Therefore, let us give the federal government and the provinces the necessary power to finance themselves by means of new credits based on the real Canadian production, in accordance with the needs of the Canadian people, whatever their language or their geographical location. This is the only solution. Why not leave Ottawa, Quebec and all other provinces carry out their administration within a clever system where cooperation and dialogue will replace arrogance and imposed muteness, and instruct the production system to provide the things that fall within their competence?

Unless we simply wish to see Canada destroyed some day we will indeed have to accept that solution. One of these days the partners in Confederation will have to get together and discuss their problems, that is their financial problems, instead of always hiding and by-passing it.

It will indeed be necessary for our leaders, at all levels, to decide jointly to surrender Canada to Canadians, in the mutual respect of their interests.

It will indeed be necessary for our leaders to find financial solutions to their financial problems, for they cannot go on indefinitely as they are doing now. There is a limit which cannot be exceeded: the taxpayers' ability to pay.

Mr. Speaker, there is no solution other than the interest-free financing formula as advocated by the Social Credit Party of Canada for dealing with the problem of government financing.

In any event, there is a limit to arrogance, and indeed exploitation. When there no longer is any dialogue, there is obviously a danger of rupture. Positive action becomes imperative.

Mr. Speaker, I would naturally have many more things to say but my time is limited. If we had a creditiste government in Ottawa, they would see to it that there be a balance between the issues of money or credit and the goods that exist to meet the needs. Instead of using these credit issues, they would distribute them in one lump sum to the provincial governments on the basis of their respective population leaving them free to spend them as they see fit within their own jurisdictions, according to their respective priorities.

Well, Mr. Speaker, we will soon have that creditiste government!

**Hon. Jean Marchand (Minister of Regional Economic Expansion):** Mr. Speaker, some time ago I saw an amusing cartoon showing a man in a rocking chair looking at television and his wife tapping him on the shoulder, saying "Have you recovered enough from the seven o'clock news to listen to the eleven o'clock news?"

From listening to the speeches of our friends here in the House and outside the House, you would think we are living in an unthinkable country where there is no progress, where things are worse today than they ever were. Really, it would seem to be economic and social slavery. To hear them, the situation is really tragic. They are what

#### *Federal-Provincial Relations*

I call professional scarecrows, whose only function is frightening others, convinced that in so doing they are attracting them.

**Mr. Valade:** Cournoyer, Bourassa and Castonguay?

**Mr. Marchand (Langelier):** Yes.

Problems are systematically created, and minor incidents blown up to cause unrest.

In a sound federalist system, Mr. Speaker, there definitely is friction between the different parties. That does not apply only to the Canadian confederation. I was involved in a union movement before coming to the House and there was friction between unions and central councils, between central councils and federations, between federations and the confederation. There was conflict between men, just as there is between municipalities and provincial governments. In all systems, however close-knit, there is always that kind of friction.

The hon. member for Lotbinière (Mr. Fortin) is shocked because the right hon. Prime Minister of Canada (Mr. Trudeau) made a slight dig at the Minister of Labour of Quebec who had meddled in a problem which did not come under his jurisdiction. As Minister of Labour, he could very well have communicated with us, saying: "Listen, we in Quebec are concerned."

We are also Quebecers, Mr. Speaker, and the situation in the ports of Montreal, Quebec and Trois-Rivières, concerns me as it does my colleagues. However, had we made the least untimely remark, the hon. member for Lotbinière (Mr. Fortin) would have risen and said: By what right does the federal government interfere with the provincial jurisdiction? In my opinion, these are small incidents and to magnify them to such an extent is simply an attempt to cause a useless uneasiness.

• (1730)

In any case, Mr. Speaker, conditions are improving. They are not ideal, of course, but efforts are made every day to correct them. The government that will replace us—if this ever happens—will also try to improve the situation which, however, will never be perfect.

A resolution is dramatically introduced to the effect that federal-provincial relations are deteriorating, that the provinces are slowly dying, that they are exploited, that the federal government centralizes and monopolizes everything while the provinces have nothing. Where is the truth? The truth is that in 1948, I believe, the province of Quebec budget was \$180 million as compared with \$4 billion today. The Social Credit members who are always talking about the importance of money never mention constitutional problems. They talk only of tax problems, of money and gold. Well, since they keep talking about money problems, here is an eloquent case: A province whose budget was \$180 million has one now that reaches \$4 billion. On what authority can we conclude that it has less influence now than before?

**Mr. Latulippe:** The cost of living has been rising.