

Dominion-Provincial Conference

assume provincial responsibilities, while the provinces were given only the responsibilities.

So long as the Canadian constitution will not allow the provinces to assume financially the responsibilities assigned to them, so long as we are at grips with the constitutional problem, so long as there is a quarrel between the ten provinces and the federal government, the provinces will have nothing but responsibilities while the federal government will have the money.

Nothing during the last federal-provincial conference allows us to hope that the Canadian government will be able to do something to enable the provinces to achieve their own aspirations.

On the second day of the conference, while attending the discussions I heard the Ontario premier, Mr. Robarts, refer to what the Alberta premier, the hon. Mr. Strom, had said the day before, that is, that the Bank of Canada should be used to achieve the economic development of the provinces.

That was a suggestion from the premier of Alberta, and the premier of Ontario took it up, giving the Prime Minister of Canada to understand that it might not be a bad thing to look more carefully into the suggestion of the premier of Alberta.

Then, the premier of British Columbia pointed out that the governor of the Bank of Canada, Mr. Rasminsky had already stated that nothing in the policy of the Bank of Canada prevented an assistance to the provinces, but that, on the other hand, the present government's policy was not in keeping with the wishes of the premier of British Columbia, as was suggested by the premier of Ontario, after the statement by his Alberta colleague.

It is easy to speak of taxation and reform, but as long as the provinces remain in an economic bottle-neck, that is in a financial ghetto, as long as the provinces are compelled to build bridges, hospitals and schools because the federal government does not assume its financial responsibilities, they will have to pay the interests on the costs of four bridges, five highways, four or five hospitals, and we shall not get out of this jam, financial and economic, we shall be fettered by this strait-jacket. That is how the provincial representatives see things. This is so true that at the last federal-provincial conference, all the provinces found a common language, the language of the dollar. Eleven governments, including ten provincial governments, were trying to "stretch" the buck, to "lengthen" it,

[Mr. Rondeau.]

and unfortunately, so far the federal government has not put forward concrete solutions in the financial field.

The hon. Eric Kierans, a former Revenue Minister in the Quebec government, said on May 7th 1964 and I quote:

Quebec wants Ottawa to make its financial policies more adaptable.

Mr. Turner: That was long ago!

Mr. Rondeau: The Minister of Justice says "That was long ago". Well, we have been awaiting reforms from the federal government for a long time and they are not forthcoming. In fact, what the Postmaster General said when he was the Quebec Minister of Revenue still holds true today and reform is just as urgent as in 1964.

He said, in a statement reported in *Le Devoir* of May 7, 1964:

"It cannot be otherwise, when a province implements a development program such as ours and finances its increased expenses mainly by way of borrowings.

The policy of the Bank of Canada in respect of Quebec's needs should be designed in such a way that the terms of credit—

Nothing has changed, and yet that was said long ago!

—would be made much more flexible to reduce the cost of our borrowings".

When we look, for example, at one single item, housing for 1969, we see that the CMHC mortgage interest rate is 9½ per cent. Well, in that field also the federal government has put the provinces and housing in a financial dead end, so that the present Minister of Transport (Mr. Hellyer) had to study for months to try to deal with the housing problem. However, the 12 per cent tax has not been withdrawn, and this has given a deadly blow to construction in all provinces and paralysed residential housing development.

Mr. Speaker, the centralizing tax policy of the federal government is no solution for the monetary problem faced by the provinces in 1969. As far as constitutional problems are concerned, the Ralliement créditiste suggests that the constitution of Canada should be the property of Canada and that it could be amended by Canadians and not by others.

At the federal level, Canadians should be able to feel at home everywhere in Canada, which implies that both official languages be recognized throughout Canada.

Economically, the federal government should withdraw from fields over which it