

great deal of sympathy with them. Personally I have not yet made up my mind completely on the subject, but if it leans in any way it is in the direction of removing controls. The problem my Conservative friends would be faced with is the problem I have outlined. Even though controls are removed, the system would not be self-liquidating. It does not generate enough purchasing power to buy back its own product. Merely lifting the controls in order that we may have great production is not going to solve the problem of distribution. Industry cannot bring about its own distribution. The system is not self-liquidating.

In conclusion, I should like to say a few words about the means of achieving this objective. The Minister of Finance suggested that we must strive for unanimity as to the means. I wish to indicate in what way I agree with the means being used and in what way I disagree. First, I wish to say a few words in connection with the dominion-provincial conference. From what he has said, the minister has left the impression that it would be impossible for the dominion to discharge its responsibilities as it should without securing greater taxing powers than it has. I am not familiar with all the details in connection with that, but as a general principle I would disagree.

The provinces have come in for a great deal of criticism and have been blamed for wrecking the conference. It all depends upon the point of view of the critic, whether he is a centralizer or whether he is a decentralizer. Anyone who believes in centralization will naturally blame the provinces, because he will want to see greater and greater controls at Ottawa in the central government. Those who believe in decentralization naturally want the rights of the provinces to be preserved. I suggest that the dominion does not require any additional powers whatsoever to discharge all its responsibilities. I say the dominion has enough powers now under the British North America Act to discharge everyone of its responsibilities without expecting the provinces to surrender anything. I will go as far as to say that the dominion could carry out its obligations with respect to the people of Canada without any taxing power whatsoever except for the purpose of withdrawing redundant credits.

I know many will say that is taking in a lot of territory, but that is merely because they have a wrong conception of the purpose of money and of what the relationship of money to wealth ought to be. I say that if the dominion government would exercise the right which it has in connection with money

[Mr. Kuhl]

it could avail itself of all the money it needed. According to section 14 of the British North America Act, currency and coinage are a distinct responsibility of the dominion government. Instead of exercising that crown prerogative, the various governments of Canada since 1867 have delegated piecemeal this most sacred of powers to the private banking institutions.

On previous occasions I have quoted Abraham Lincoln on that score, and I should like to do so again in order to indicate the tremendous significance of the power which a government has when it exercises its authority over the creation and issue of money. Abraham Lincoln is credited with having made this statement:

The government should create, issue, and circulate all the currency and credit needed to satisfy the spending power of the government and the buying power of consumers. The privilege of creating and issuing money is not only the supreme prerogative of the government, but it is the government's greatest creative opportunity. The people can and will be furnished with a currency as safe as their own government. Money will cease to be the master, and will become the servant of humanity. Democracy will rise superior to the money power.

The important sentence is, "The privilege of creating and issuing money is not only the supreme prerogative of the government, but it is the government's greatest creative opportunity." If the dominion government were to retrieve that right and exercise it, the whole system of taxation could be abolished forever. If that were done there would be no need for centralization or nationalization and most of the problems would solve themselves automatically. I say the dominion government, by refusing to exercise this power and by not permitting the provinces to exercise their powers, is assuming a dog-in-the-manger attitude and one which certainly should not be tolerated in this country.

My final word, Mr. Speaker, is this. I suggest that we can agree on objectives nationally, provided that we accept the objectives which we subscribe for ourselves personally. If we do that, I believe that we can really unite on national objectives.

Mr. G. R. WEBB (Leeds): Mr. Speaker, in expressing my views on the budget, after hearing a number of hon. members throughout the week, some praising and some condemning it, it is not my intention to praise it because I do not find enough in it to warrant praise. On the other hand, it is not my intention to condemn it in its entirety, although in many ways it falls miserably short of what was expected by the Canadian people in the way of tax relief.