

Federal-Provincial Arrangements Act

Admittedly that prime minister of Quebec rendered great services not only to his province but also to the whole country because he awakened public opinion to the basic problem of provincial revenue sources.

The bill we are now discussing indeed provides for the distribution in all parts of this country, of amounts of money collected by the federal government to allow poorer provinces to benefit from certain revenues they require to meet their obligations and responsibilities.

Mr. Speaker, a provincial government wanted to take advantage of the right to borrow against its credit, as provided under section 92 which granted that right to the provinces. In 1935 and the following years, the Alberta premier carried on a famous fight to enable his province, on the basis of the right granted under section 92, to achieve its purposes. It will also be remembered that throughout that period, the Prime Minister of Canada, the right hon. Mackenzie King, had said referring to the struggle of the Alberta premier:

If Social Credit has an opportunity of showing its mettle, it is in Alberta. William Aberhart controls the province and if the Liberal party is re-elected, Mr. Aberhart will be free to put it into practice.

What happened? Later on, to explain his idea more specifically, Mr. Mackenzie King stated, at the opening of the 1935 election campaign:

The Liberal party believes that credit is a public matter which does not concern bankers alone, but that it is of direct concern to the common citizen. The Liberal party is in favour of setting up immediately a national bank well structured to control the issue of money in terms of public needs. Capital flow should be related to the domestic, social and industrial needs of the Canadian people.

In 1935, Mr. Mackenzie King stated that a social credit government having just been elected in Alberta, the Liberal party, in an effort to get back into power, would do its utmost to allow the constitution to be respected and the province to free itself and manage its own affairs.

• (1520)

I should like to quote today a sentence from his speech in order that we may determine whether Bill C-8 follows the guidelines set by the founding fathers in all areas.

Mr. Mackenzie King spoke as follows:

Once a nation loses control over its currency and its credit, it does not matter much who in that nation makes laws. Once in control, money lenders will ruin any country. As long as control over currency and credit has not been restored to the government and acknowledged as being its most obvious and most sacred responsibility, any talk of democracy and Parliament supremacy is vain and futile. If my party is re-elected, we will assert our monetary policy in the greatest battle between high finance and the people ever witnessed by Canada.

Subsequently, Mr. Speaker, Mr. Mackenzie King was elected by the Canadian people and had an opportunity of allowing the government of Alberta to take advantage of section 92 of our constitution.

This prompted Mr. Douglas, who devised credit at the service of the community, to state in a speech that he made on November 30, 1937, and I quote:

A war has broken out in the western provinces of Canada: Alberta is the first battlefield. Given the issues involved, this war, whatever its outcome—and I believe with all my heart that we shall be victorious—carries implications reaching far beyond those of the war of 1914-18 or any other major conflict in history.

[Mr. Lambert (Bellechasse).]

It has become easy for the least shrewd of observers to see that in Canada as elsewhere in Britain or the United States, so-called democratic governments are one-way streets. In other words, the bodies that we call governments have a right to exist, to be adorned with the emblems of power, up borne by wealth, supported or accepted by the press inasmuch as they put their power first to the service of international financial interests—

A mere glance at history reveals that the right hon. Mackenzie King, despite his promises, was devoted to international finance since he used legislation to prevent the province of Alberta from using its credit to its own benefit.

And two economists were invited to step in. They were Messrs. Powell and Byrne. We remember that these two men were prosecuted and jailed for having supported a thesis contrary to the one then recognized, in order to enable Alberta to enjoy its own credit. In fact, one of them said:

This was real work of a democratic government. But the federal government, with financiers behind it, responded immediately. Less than one week after adoption of the three acts, there rose a storm which was unprecedented in the political history of the Dominion and the Prime Minister, the right hon. Mackenzie King, disavowed the three acts—

Mr. Speaker, I find it odd that hon. members are now accused of supporting theses or philosophies which do not make sense. The great leader, the god of the Liberals for years, did indeed support the theory that we are now advocating—that the credit of a nation should be at the service of this nation and minted by institutions belonging to this nation.

And if we refer to the answer given last week to a question appearing on the order paper, in which I asked information on several federal loans granted the province of Quebec over the last twelve months, we see that the loans, amounting to \$65,900,000, carry an average interest rate of 7.4 per cent and are refundable over a period of 20 years. This money is available through taxes levied on the Canadian taxpayers.

I had a bank accountant make a calculation over the weekend in order to know the amount of interest the province of Quebec will have to pay, besides refunding the principal, and I got the figure of \$97 million. In other words the province of Quebec will in turn have to tax Quebecers in order to get that amount of \$97 million and pay interest to the federal government, although that government is empowered to provide the necessary credit to the nation through the Bank of Canada.

People find it funny when we speak about the Bank of Canada. They say that Creditistes think only in terms of the Bank of Canada and see in it the ultimate solution to all problems. Mr. Speaker, we are not providing a solution to all problems, but to those that must be solved by financial means. And hon. members will recall that in 1969, the Chamber of Commerce of the province of Quebec presented a brief to the federal government recommending the use of the Bank of Canada to help financing the public sector by means of loans to the provinces. In turn, the provinces could grant loans to the public bodies coming under their jurisdiction, that is the municipalities and school boards.

Mr. Speaker, people everywhere discuss financial questions, not only the Creditistes. However, I admit that we