

*Main Estimates 1970-71*

● (2:40 p.m.)

This is the second part of the Prime Minister's argument to explain the success of the conference. He concludes by proving that he is right, that he is the eternal light, the eternal truth and that provinces come to Ottawa only to hear a course in economics given unilaterally, there is no need to say. And he says in conclusion:

Nevertheless, conditions do change, and I indicated that when we are successful in getting inflation under control, secure the co-operation of the provinces in holding down the costs of joint programs, and complete the reform of the income tax, we will be able to look carefully at the problem of adjusting fiscal resources between levels of government.

In my opinion, that conference may have been a success for the Prime Minister, because he fell for no compromise and he kept the same approach from the beginning to the end, neither yielding nor listening.

However, the conference was surely a source of dissatisfaction and frustration for the provinces. After all, the situation will only deteriorate because the three conditions laid down by the federal government for its co-operation with the provinces are unacceptable in view of the present monetary and economic situation.

When the Prime Minister states that the first condition for that co-operation is to strangle inflation, he knows quite well that these steps are not able to check inflation, and that besides increasing it, they will bring about a serious recession.

Secondly, when he says that he will get the co-operation of the provinces, the Prime Minister should recognize that co-operation must be a two-way proposition, and that the Canadian confederation is only viable to the extent that there is co-operation and a dialogue in which both parties are in earnest.

Thirdly, a review of the tax system is inconceivable unless we first review our monetary system. To talk plain common sense, as the Prime Minister says, he will agree with me that if there was no money there would be no taxation. So, instead of dealing with taxation, bickering for control, why should the Prime Minister and his cabinet not call a responsible federal-provincial conference to discuss a comprehensive monetary reform in Canada, to harness money to the service of the human person, to restore control of money and credit to the Canadian government?

Mr. Speaker, we, in the Ralliement créditiste, insist that the monetary policy is the main reason of the present economical crisis

since it directly unbalances the production capabilities and consumption. The anti-inflation measures of the government will have the effect—and the Prime Minister is now quite aware of it even if he finds it very funny—of reducing the buying power of the taxpayers and of increasing unemployment and, consequently, of making richer the richest and poorer the poorest. Here is then the government's just society, here the success the government brags about.

Before completing my remarks, I want to state clearly the position of the Ralliement créditiste. We dissociate ourselves from the policy advocated by the New Democratic Party, to wit, that we should take away from the rich to give to the poor. For our part, we submit that our monetary system should serve the country, and to this aim, the value of our currency should be based on real production, on the real value of our goods, and that our monetary policy should set a constant balance between the production forces and those of consumption, so that production may actually reach its goal, which is consumption. Otherwise, we produce for the sake of production, we only flounder while under the system, and in such a way that the federal government, with its great common sense, will remain omnipotent, in the pay of high financial circles, and the provincial governments will continue to be considered as municipal governments by the federal administration.

Mr. Speaker, all problems are connected and so long as we have not come to grips with the real source of the most serious of them all, that is, the monetary problem, we shall find no solution whatsoever. This is the reason why we state that while we go from the Grits to the Tories and from the Tories to the Grits, the situation remains the same.

[English]

**MAIN ESTIMATES 1970-71****REFERENCE OF VOTES TO STANDING COMMITTEES**

**Hon. Donald S. Macdonald (President of the Privy Council):** Mr. Speaker, with regard to the main estimates 1970-71 and pursuant to the provisions of Standing Order 59 I move, seconded by Mr. Laing:

That the estimates of sums required for the service of Canada for the year ending March 31, 1971, be referred to the several Standing Committees of the House as follows:

**Mr. Knowles (Winnipeg North Centre):** Dis-  
pense.