

and that enrichment must be accompanied by an equivalent increase of the money in circulation so that the country may take advantage of that enrichment.

It may not seem much but if in 1929 we had applied such an accounting method to reconcile money supply with the facts, people would not have starved when there were masses of products and when unemployed wanted nothing more than to work at making products and services available to their families and their fellow citizens.

If in 1971 we had had the same accounting method, there would not now be 700,000 unemployed, a fact that reveals production paralysis because there is no money but an abundance of products.

What does the Minister of Finance ask himself when preparing his budget? The following questions: What does the country want? What is it able to pay? More often than not, he first asks himself the second question if he wants a balanced budget.

Under a Cr ditiste government, the Minister of Finance would try to answer the two following questions: First, what does the country want? Second, what can it produce? Not in money or taxes, but in available manpower, in unused resources, in technology?

What labour and equipment can the country do without, for instance, in the production of food, clothing, housing, highways? We can ask what choice can be made, if we can choose one or the other or both. If the government decides to build the Mackenzie pipeline, surely the workers and businesses engaged in that undertaking will not produce food or clothing. It will be up to other workers to produce these foodstuffs in their place, both for themselves and for those engaged in building the pipe line.

The problem is therefore whether the country is physically able to build the pipe line without hindering the production of other consumer goods. I don't see that money would have anything to do with it if the Minister of Finance (Mr. Turner) were really against all that.

Under a Social Credit government, there would still be problems of physical possibilities, but no financial problems, since money must necessarily reflect reality and come with it.

The Social Credit budget would be based on the hierarchy of public services called for and achievable. The underlying concept of that budget, Mr. Speaker, would be that of whatever public and private goods the country can produce, i.e. consumer goods, without considering financing problems, since the funds should be produced automatically as and when required, and according to the physical possibilities of implementation.

• (1430)

[English]

Mr. David Weatherhead (Parliamentary Secretary to the Minister of State for Urban Affairs): Mr. Speaker, I am pleased to take part in the debate this afternoon. I have to say I am in favour of keeping control of monetary and fiscal policies essentially in the hands of the federal government in Ottawa so that they can be used to influence the economy as a whole and place from time to time different emphasis on different regions in the country depending on economic conditions in each region.

Alleged Decentralization of Policies

I agree with the comments made by the President of the Treasury Board (Mr. Drury) just before lunchtime with respect to the increased emphasis the federal government has placed upon the equalization payments program. This subject has been debated in the House in recent days. There is no question that these payments, which are made in varying degrees to the less advantaged provinces, have been very beneficial to those areas and it is for this reason also I think it is necessary to keep control of monetary and fiscal policies in Ottawa.

The President of the Treasury Board also referred to the great success the Local Initiative Program has enjoyed in the last few months, particularly with respect to programs initiated by the municipalities. I know that in my own area, the borough of Scarborough has obtained a great many grants to aid local projects under this program. I am sure this is the case throughout the country. Preference is given to places where unemployment rates are higher.

I think there is no question that collection of income tax by the federal government rather than by individual provinces leads to great savings to taxpayers as a whole. To reverse this process would not, I feel, result in a less onerous burden for taxpayers as the motion suggests. In my opinion, it would be the other way around.

This afternoon I should like to comment on a slightly different aspect of the motion, the need for consultative mechanism between the provinces and the municipalities. My own minister, who is in charge of urban affairs, has been in favour of developing a consultative mechanism with the provinces and the municipalities on matters which are of extreme importance to most of the people in this nation. As you know, Mr. Speaker, and as was pointed out in the debate in this chamber on Monday, about 70 per cent of the people in our provinces at the present time live in urban areas. This proportion will increase to about 80 per cent in 1980. Therefore, the problems of the municipalities are to a large extent the problems of our growing urban areas—transportation, welfare, the environment, housing and so on. All these are essentially urban problems, integrated one with another. This gives rise to a need for improved methods of consultation between the federal government, the provinces and the municipalities which, by and large, face the consequences of the population increase.

There needs to be better co-ordination between the 112 federal programs which affect urban Canada, and this led to the creation of the Minister of Urban Affairs last July. As the Minister of State for Urban Affairs (Mr. Basford) said in this House last Monday:

Our mandate is to co-ordinate the activities of the government of Canada in establishing co-operative relationships with the provinces and their municipalities for the enhancement of the human environment. Co-operation and coordination between the provinces and municipalities is precisely the purpose and the mandate of this ministry.

The present Minister of Consumer and Corporate Affairs (Mr. Andras), when he was minister responsible for housing, in a speech before the Canadian Federation of Mayors and Municipalities in Halifax on June 10, 1970 called initially for federal, provincial and municipal consultation on urban matters—some structure, perhaps an urban council, within which political representatives sup-