

The Address—Mr. Drew

all accept in principle the proposals put forward, and then, when we had the economic and statistical figures that we required, we should proceed to deal with them with the advantage of this continuing dominion-provincial co-ordinating committee and the dominion-provincial economic committee. I might quote what was in my presentation to the conference:

The Ontario government expresses its belief that the highest possible measure of co-operation should be established between the dominion and provincial governments in the development of their resources and the maintenance of all types of production. It approves the idea of holding back public construction and public investment during the period when private investment and private production can provide the opportunities for employment which assure gainful occupation to all our people.

Then I went on and further urged the need for a dominion-provincial conference at least once a year, but expressed our own belief that it would be advisable to have a conference at least every six months to bring these governments together. I proposed that in our case we would then set up permanent provincial offices in Ottawa, and that there be a permanent secretariat here serving all the provincial governments, so that this combined team of governments could work continuously together as one functional organization in their field of common legislative and administrative responsibility.

I have seen some statements, which were just as remarkable as the others to which I have referred, to the effect that Ontario refused to share its favourable financial position with other provinces. That statement, I might say, is absolutely false. Fortunately, there was a *Hansard* record of those proceedings and it is there to show that as premier of Ontario at all times I asked, or insisted:

... that the special advantages enjoyed by the province of Ontario through the location here of head offices of large national organizations be recognized and that a plan be devised whereby the taxes paid by such national organizations be distributed to all provinces on the basis of the actual business done in those provinces and not in relation to the mere fact that the head office happened to be in the province of Ontario.

What is more, in our submissions to the conference we urged the very thing to which the Rowell-Sirois report had attached such great importance, something that the dominion government had not urged, and in fact refused to consider at the conference. We urged the setting up of a national adjustment fund, which was a key point in the Rowell-Sirois recommendations. We not only urged the setting up of a national adjustment fund but we urged that this fund be set up on a level much higher than that which had been suggested only a few years earlier in the Rowell-Sirois report. In order that I may not simply generalize but may refer to my exact words,

[Mr. Drew.]

I should like to quote from what I said to the conference which was meeting on May 1, 1946, and I shall be quoting from the *Hansard* record until I indicate that the quotation has ended.

Mr. St. Laurent: Would the hon. member mind indicating the page?

Mr. Drew: I shall be happy to furnish the Prime Minister with it because I am reading from an extract from it. It is the *Hansard* record of May 1, and I shall be happy to give him the exact page.

Mr. St. Laurent: I have the record here, and I should like to follow it.

Mr. Drew: I shall be glad to give the exact page. The quotation is as follows:

Ontario believes in the system of fiscal aid to those provinces which from time to time require special assistance because of the fact that their economy is not so widely or so flexibly based that through their own free taxing powers they can meet the difficulties which arise.

What I said then and what I repeat now is that, while we suggested one form of administration of this national adjustment fund, we were not married to that proposal—I believe those were the exact words I used—and that we would accept any system of administration of a national adjustment fund which was acceptable to this conference. We shall not within the term of any agreement we now sign be drawing upon that fund to which, naturally, we shall contribute very heavily.

Then I went on, after certain words which intervened, as follows:

I stated the principle to which we adhere, that we are accepting the principle of fiscal aid in a fund administered on a basis acceptable to those provinces which will be dealing with it; and we are prepared to agree to whatever may by mutual consent here be regarded as an adequate sum for administration in that national adjustment fund.

In the face of those words on the record, hon. members can perhaps understand my surprise when I read from time to time some of these rather extraordinary allegations, that I, as premier of Ontario, was unwilling to share with the other provinces of Canada such advantages as Ontario might possess.

Then also, as to the suggestion made by those who should know better,—and of course, I am referring particularly to some of those who were there—may I recall that in the *Hansard* record the very last words I addressed to the conference the day it adjourned, on the motion of the dominion government, were as follows:

I want to remind the conference that I have made it quite clear all along that nothing we have put forward is "take it or leave it."

Those were the broad general details, and that was the spirit of the proposals that