

*The Budget—Mr. Drew*

more emphatic terms his belief in the sanctity of the British North America Act than did that great Canadian whose memory we have respected in the house today.

Those who attended the dominion-provincial conference which met on August 6, 1945, will recall so well the strong, vigorous, clear and emphatic statements of the then premier of Nova Scotia, Angus L. Macdonald, who pointed out that his province dearly cherished those traditions, those customs and those laws which were preserved in that constitution. That was true, I believe, of every premier. This is a subject which is in no way confined to one province alone. This is not a problem which affects merely the government of Canada and the government of the province of Quebec. This is not a problem which can be solved by discussions between the government of Canada and the government of the province of Quebec alone. This is a subject which should be discussed at the earliest possible date so that consideration may be given to those circumstances which are bringing into the open statements which are certainly not helping the solution of this problem.

One point I wish to make with the utmost earnestness, Mr. Speaker, because I propose to present my arguments directly to the Prime Minister (Mr. St. Laurent) is that in many quarters this matter has been discussed as though it were an issue in which the Minister of Finance stood as an individual who challenged the rights of others in Canada. Under our parliamentary system, under our constitution, there is one man who accepts the central, final and supreme responsibility, and that is the prime minister of Canada. There can be no other situation. Under our system the representative of the crown does not appoint the members of the cabinet according to his judgment. The representative of the crown has the responsibility of calling upon an individual to form a government. That individual, if a government is formed, becomes prime minister of Canada.

The members of the government who are later sworn in are nominees of the prime minister. They are his nominees. They continue to hold office at his will and if they depart from the course laid down by common agreement of the government over which he presides it is his duty to ask for their resignation. If anything that has been said in the budget speech is unacceptable to any Canadian, then the person to whom the remarks should be directed is the Prime Minister of Canada. After all, it is the head of the government of Canada who must accept the central and final responsibility for any statements that are made in the budget

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or in any other official presentation of the government. In fact the Prime Minister must accept that responsibility more directly in relation to the budget than in relation to any other presentation to parliament. This, after all, is the presentation by all departments of government to this house through which they seek money by means of which, out of revenues from the people of Canada, the government headed by the Prime Minister can carry on its business.

That is the situation. It is, therefore, to the Prime Minister that I direct my remarks, and I do hope that in the discussion of this subject it will be the Prime Minister who will accept the responsibility for dealing with a situation which surely is one that cannot be contemplated with satisfaction by any Canadian today. I do think that before careless remarks are made, such as have already been made, we should remember the genesis of this problem now before us in so far as it relates to the exchange of certain taxing powers in return for certain annual payments. In 1942 it was stated by the government at that time, a government of which the present Prime Minister was a member, that these were only temporary arrangements for the duration of the war. Let me read the opening part of the statute which dealt with the agreements then made. The statute was assented to on the 28th of May, 1942 and is found in 6 George VI, chapter 13 of the statutes of 1942-43. It reads as follows:

Whereas the dominion and the provinces and certain municipalities have been levying taxes upon incomes and upon corporations, and it is expedient during the continuation of the present war and for a certain re-adjustment period thereafter that the dominion only should levy such taxes: Therefore, His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

1. This act may be cited as The Dominion-Provincial Taxation Agreement Act, 1942.
2. The Minister of Finance, with the approval of the Governor in Council, may enter into an agreement with the government of any of the provinces of Canada to provide, in accordance with and subject to such terms and conditions as may be set out therein, that the province and its municipalities shall cease to levy personal income and corporation taxes as defined in such agreement and subject to such exceptions as may be set out in such agreement, for the duration of the war and for a certain re-adjustment period thereafter, and to provide for the payment of compensation by the dominion to the province therefor.

The agreements which were signed contained this recital:

Whereas the province shall not, by agreeing, as hereinafter provided, to desist from imposing certain taxes during the term of this agreement, be deemed to have surrendered, abandoned or given over to the dominion any of the powers, rights, privileges or authority vested in the province under the provisions of the British North America Act,