

*Federal-Provincial Relations*

The federal government has intruded itself into provincial economics and invaded the areas of provincial development not as a partner but as a bully.

That is echoed in every provincial capital across this land, and if this new appointee of the Prime Minister will rectify that, then all we can say is, hallelujah!

How about natural resources? In the budget the Minister of Finance (Mr. Turner) announced that he would no longer permit the non renewable resource industries to receive income tax deductions on their royalty payments. I feel that the Prime Minister has heard this complaint before. It is an unnecessary complaint, one that should not now be before the House. It is a complaint that should not be voiced by provincial ministers, by provincial governments, by resource industry people, and by members of the House. But it has to be voiced because of the stupid, blundering of this government and the fact that it will simply not consult its partners in the federal system.

Then there is the two price system for domestic oil established by the government on September 13, 1973. There had been no prior consultation. This was the first federal tax on a nonrenewable provincial resource, and an unnecessary federal precedent was thereby established.

Then there is the oil export charge act. Canadian well-head prices were frozen on September 4, 1973. Again there was no advance, meaningful, realistic consultation with those most directly concerned, and there should have been. This is a divisive policy, pitting the producing provinces of the country against the consuming provinces. If you do not believe me, consider what the Prime Minister said in Regina, on June 6 last:

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No provincial premier will be allowed to crowd Ottawa out of its right to tax resource industries.

Those are the Prime Minister's words. But is that the language of an amiable individual who is in charge of a federal administration which wants to co-operate with the provinces on programs affecting provincial resources?

Consider the question of off-shore minerals. This has been perplexing provincial resource ministers since the 1960s, simply because of the dogmas handed down from the Olympian heights of Ottawa. These dogmas bear no relation to the needs of provincial administrations.

Let me refer to what has taken place in communications. The western communications ministers ended a two-day conference in Saskatoon in August, 1973, not 1974, in which they pleaded with Ottawa to stay out of provincial areas of jurisdiction. A federal green paper on communications on March 27, 1974, called for federal-provincial regulation of telephone rates. The provinces feel that these matters are solely within their jurisdiction. Be that as it may, there was no consultation, no advance warning.

We see great ministerial policies handed down, and then the Prime Minister wonders why his word is not trusted in certain provincial capitals. Quebec and Ontario have challenged federal jurisdiction over telecommunications. In November, 1972, for instance, at the provincial ministers conference in Quebec city the federal government was criticized for duplicating provincial telecommunication

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systems and for its licensing of the CN-CP telecommunications network.

These complaints are not being made by government officials who are whining about lack of jurisdiction. They are made by well meaning elected officials who feel that there is a constitution governing this country, outdated and antique though it may be, and that their jurisdictions as well as rights in many areas are being infringed on, as there are existing provincial administrations for dealing with some of the problems in which the federal government has become involved. In many areas, ranging from off-shore mineral rights to telecommunications, the federal government has appointed its own administrative officials and set up its own administrative procedures, to the detriment of those whom we serve, whether at the provincial or federal level, the poor, overburdened taxpayers of Canada.

Shared cost programs have been a thorn in the sides of provincial governments and ministers simply because of federal strings attached to those grants and programs over the years.

Let me refer to the competition bill of the last session. That measure was also introduced in the session before that, and the session before that again. It is another example illustrating the government's failure in the field of dominion-provincial relations. That bill dealt with services which would obviously lead to conflicts involving provincial and municipal administrations. Such conflict is all the more probable because the provinces were not consulted adequately about these matters before the drafting and introduction of the bill.

The profiteering bill, which was to enable the government to freeze or roll back prices, is another example of lack of consultation. Before the introduction of that bill there had been no prior consultation with the provinces on a measure which could not help but affect the finances and economies of individual provinces.

Let me also refer to transportation. Since the Western Economic Opportunities Conference of July, 1973, there has been virtually no meaningful consultation with western provinces about the removal of freight rate inequities or the modernization of grain handling facilities, even though these subjects have been discussed inside and outside the House, sometimes by ministers of the Crown. Really, that is not the way to consult partners involved in a federal-provincial relationship as envisaged by the constitution.

There has been little or no consultation with the provinces on trade, or on the effects of unilaterally lowering protective tariffs in accordance with GATT provisions. Yet these matters vitally affect the economy of provinces. I can remember when the auto pact was announced, the immediate effect that pact had on the economy of Ontario. I am not criticizing the auto pact; I am not criticizing many of the other measures I mentioned. I am merely saying that, for heaven's sake, before the federal administration makes far-reaching changes which will affect the economies and finances of provinces and municipalities and the way our citizens live, let it consult in advance with the provinces. Consultation should be more meaningful than it has been so far.