

Dominion-Provincial Relations

We have heard, during the last election campaign, statements to the effect that more money was to be given in the case of a certain pension, while the matter did not come under one's jurisdiction, but simply because there was a surplus of money available. We often see provincial governments creating diversion by attacking the federal government in order to excuse their shortcomings.

If the federal government said once and for all to the provinces: "Here are your jurisdictions and here are the means to get the necessary taxes", then the citizens who would vote in a federal, provincial or municipal election could say: "Well, here is a government which promises a certain legislation, here is a government which taxes me for such measure and it is normal." In fact, we, federal legislators, must not fear the loss of economic control by the central government.

Through what means can we control the economy? Through the budget, tax legislation and monetary policy. The first means to control the economy is the budget. Now, we realize that in Canada, at this time, nearly three quarters of public expenditures are incurred by school, municipal and provincial authorities.

This means that even though the federal government still plays a prominent part in the economic field in Canada and controls the economy of the country, while three quarters of the expenditures are made by other governments, the country is nevertheless not faring too badly.

In the field of taxation and direct taxes, the federal government has already agreed to hand over to the provinces a certain proportion of personal and corporate income taxes. We should strive to hand over a greater proportion of indirect taxes, because they are not as important as direct taxes in the control of the economy.

And in the monetary field, it is quite obvious that only the federal government should continue to take action. On the other hand, if we agree to let the provinces collect the revenues they need, we can tell them: Go ahead, yes. But tax and pay accordingly.

I think it is absolutely necessary that some tax equalization remain under strictly federal jurisdiction. Much is being said about foreign aid, and rightly so, but foreign aid has also its equivalent. We should help the poorer provinces of Canada and the richer provinces must agree to pay to the poorer provinces the

[Mr. Goyer.]

amounts required so that all Canadian citizens can live according to certain minimum standards of well-being.

• (6:50 p.m.)

[English]

Mr. Steven Otto (York East): Mr. Speaker, I am amazed that you recognized me here away out in Siberia. I just wanted to say to the few backbenchers who are feeling independently rebellious that such are the wages of sin.

I want to say a few words on the motion moved by the hon. member for Peace River (Mr. Baldwin) and I should like to ask him whether he actually thinks a white paper defining the opinions of the government is really what is necessary. I think we are all agreed that by and large the British North America Act is really a pretty cold piece of fish without much substance. It was devised by the Fathers of Confederation at a time when they had absolutely no concept of this nation as one concerned with industry, export and finance. At the time the act was devised the economy was entirely agrarian.

Unfortunately we are stuck with a very static constitution. Certain powers have been delegated to the provinces; others have been delegated to the central government. But the situation has changed in all spheres and we have not the machinery to bring about a fluid constitution to meet changing conditions as time goes on.

For instance, I am quite sure that in 1865, 1866 and 1867 education was a matter of reading, writing and a little bit of arithmetic. At that time no one could have imagined that in 1965, 1966 and 1967 education would be a matter of whether or not one could make a living. Consequently it was a matter which was given entirely to the provinces. The situation now is that education is definitely of national concern.

On the other hand, other jurisdictions which have been given to the federal government could now very easily become provincial. Let me give you as an example some of our waterways and our canal systems. Apart from the St. Lawrence canal system we have the Rideau and the Trent which are used entirely for pleasure purposes and yet are under federal jurisdiction. They originally came under federal jurisdiction when water transportation was a matter of defence. So that although times have changed and the situation has changed our constitution, the British North America Act, will not permit