

Interim Supply

many useless complications and with not cooperating with the federal government and the other provinces.

Now, the next paragraph reads as follows:

An immense confusion which persists to this very day—

This very day was November 25, 1963.

—is the result of all these unilateral decisions.

You will notice, sir, that "all these unilateral decisions" were those made by the present government in a period of seven months.

Too late we realized that the goals of the federal government did not necessarily meet with those of the provinces. It has provoked perfectly understandable spine-stiffening. This offensive, with centralization as the target, inevitably gave rise to violent reactions.

I pause now to explain that here the premier of Quebec said the present government is a centralizing government. This is exactly what we have been saying. We have been pointing out his conduct and his policies. I imagine that the smile now on the Prime Minister's face was not there when Mr. Lesage was giving him this lecture.

Mr. Pearson: I smiled because you said that we had capitulated to him.

Mr. Diefenbaker: I have touched a sore point to make the Prime Minister smile like that. It is the centralizing activities of this government, not the previous government, that Mr. Lesage is dealing with.

Such experiences must never be repeated for the very essence of the confederate system shall disappear.

That is the warning of a Liberal premier to a government which, in a few months, has earned his condemnation for its centralizing proclivities. It is no longer sufficient to make honourable amends before harm is done and to promise that, in the future, intrusion in fields of provincial jurisdiction will be avoided. For let us not forget that the harm has been done and that it constitutes a precedent that no one will fail to invoke in the future, no matter what happens. These were our views regarding the centralizing conduct of this government in the legislative measures which it introduced and to which the Prime Minister has made reference.

Quebec—and several provinces share its opinion in this respect—is definitely opposed to the federal government's jostling the priorities of the provinces by unilateral action.

Then it says, in order to sweeten the dose, probably well intended but not always well measured:

This is obvious in the case of regional development and the locating of industries, which fields are clearly of the provincial jurisdiction. We do not conceive the role of the federal government as one giving direction to and determining the policies which the provinces should follow in fields of their own jurisdiction—

I do not have to make any observations on the statements made by the premier in this regard. However, throughout the period of the last several months when we have raised these objections the Prime Minister and the President of the Privy Council, who is the epitome of knowledge about everything connected with legislative distribution of powers, in his own estimation, gave support to what was done, which denied the basic principles of confederation. That this government has learned; for it now agrees, as the Prime Minister has pointed out in the most fulsome terms, there is a need for consultation. The communique says in this regard:

It was agreed that both the federal government and the provinces would take steps to improve their arrangements for close and continuing consultation.

There was general agreement about that.

Now let me deal with some of the matters which were considered. The provinces agreed to provide their share of old age assistance and pensions for the blind and disabled. There is nothing unusual in that. As to the pension plan that was advanced here with such a shrill burst of trumpets, that plan no longer exists. The federal government has retreated from its original arbitrary position and an advance will now be made toward the achievement of a comprehensive plan because of that retreat.

I come now to the question of equalization, and also to the general fiscal arrangements which have been made. We find that great changes have taken place in a few months. A few days before the election an ultimatum was given to Ottawa by Mr. Lesage. Not one paper in Canada failed to describe it as an ultimatum. The Canadian Press report of the *Ottawa Journal* is dated April 6 and says:

Premier Lesage last night laid down a virtual ultimatum to the next federal government to turn over a minimum of 25 per cent of income and corporation taxes collected in Quebec—

In a budget speech highly flavoured with election spices Mr. Lesage reviewed the fiscal policies of the four federal parties. . . .

The premier gave the next government, no matter which party forms it, one year to meet Quebec's demands on federal-provincial fiscal problems.

Another report in the *Financial Times* is as follows:

One year to act, "or else". Quebec is carving out a new role for the provinces of Canada. In an almost pugnacious speech the premier gave the next federal government 12 months to meet his demands—

Specifically, Mr. Lesage asked, at the least, for 25 per cent of all personal income taxes collected from residents of the province, 25 per cent of corporation taxes, 100 per cent of all succession duties.

He intends to get them.