

In that period, none of the provinces - not even Ontario - was in a financial position to pursue progressive policies and most of them, in fact, did not even maintain essential public services in a reasonable state of efficiency.

The governments of some of the provinces seemed to take a perverse delight in frustrating the efforts of the national government to meet national problems with nation-wide solutions.

All that was changed by the war.

Co-ordination of public finance was essential to the successful prosecution of the war; and wartime tax agreements kept all provincial governments in a position to meet their constitutional responsibilities.

Every province emerged from the war with a budgetary surplus.

Post-war fiscal arrangements have made it possible for all the provinces to finance the rapidly expanding public services required for a fast-growing population and still have budgetary surpluses in every year since the war.

There are still problems, and difficult problems, in the relations between the national government and the provincial governments; and there are always bound to be such problems under a federal system, especially when there are such wide extremes as there are between a province like Ontario with a population of over six millions and another like Prince Edward Island with only one hundred thousand people.

But in 1955 we seem to have what was deplorably lacking before the war, and that is a disposition on all sides to solve problems, and to maintain harmony in the relations between governments within Canada.

We have just recently had a Federal-Provincial Conference in which there was genuine cordiality and goodwill on all sides.

No doubt this state of affairs is, in part, the consequence of the good times since the war; but it is also, in large part, the reflection of a wider and deeper sense of Canadian unity than we had previously known in our brief history as a nation.

Practically all Canadians today have come to accept the fundamental fact of Canadian nationhood: the fact that Canada is a nation of two equal races with separate, though closely related cultures, with two official languages and a host of other differences which are here to stay.

I say all Canadians have come to accept that fact: indeed every year, more and more Canadians, both English-speaking and French-speaking, are developing pride in our long history of working together, of compromising our differences, and concentrating on the common goal of building a nation which is distinct and different from any other nation on earth.