

After Recess

The house resumed at eight o'clock.

Mr. WOODSWORTH: Mr. Speaker, when the house took recess I was congratulating the Minister of Justice upon his having discovered an easy way of amending the British North America Act. At one stroke we have swept away the old compact theory of confederation, and the knotty question as to whether we should have the consent of all the provinces, of a majority of the provinces or even of one province. We now recognize that all we have to do is to pass an humble address of this house and of the senate, and we may hope to obtain the desired changes in the British North America Act. But I would like to ask why it is that it is not possible to obtain similar amendments with regard to questions, such as, for example, unemployment insurance, the eight hour day, old age pensions, the minimum wage or, in fact, the right to amend our own constitution. If we can secure an amendment when it suits the policies of the financial people, I cannot quite see why we should not do it when it is in the interests of the great masses of our people. If I am not asking the house to stretch its imagination too far I may say that if ever the Cooperative Commonwealth Federation came into power and the Labour party again formed the government of Great Britain, about all we would need to do would be to pass a resolution by parliament. Of course we could put it into the form of an humble address. Such a resolution would be sufficient to obtain for us whatever we needed by way of amendments to the British North America Act. I am not quite sure whether, in such event, we would even need a resolution passed by the senate.

Mr. DUNNING: If you had the provinces agreeing with you it would be all right.

Mr. WOODSWORTH: Representatives of the provinces have agreed that this address should be introduced. That is a different thing, as the minister must know, from provincial legislatures agreeing, which they have not done. In any case, if the minister would allow his imagination to stretch, probably the provinces would be with us at such a time as I have suggested.

I have said the second principle involved is that of giving the provinces the right to impose a certain type of indirect taxation. No doubt something must be done to help the provinces; I think that is clear. There have been references to reckless expenditures on the part of some of the provinces. As a westerner I may say that I resent these little

sermons we have preached to us by representatives from eastern provinces. On the whole I do not think expenditures in the west have been any more reckless than those in the east. It is true that the western provinces have developed under circumstances greatly different from those under which the eastern provinces developed. A new type of expenditure was necessary, if we were to open up the west, as the rest of the country thought it ought to be opened up, and if we were to prosecute the great war—if I may carry the argument that far—in the way in which the rest of the country thought it ought to be prosecuted.

Hon. members talk about economy, but without going into detail I would point out that the western provinces have cut their expenditures to the very limit, in fact, to the detriment of the ordinary people and to the serious disadvantage of our young people and even of our children in those provinces whose services have been cut down.

Several years ago pressure was brought by the present leader of the opposition upon the western provincial governments, urging them to balance their budgets. Hon. members will recall a letter sent to the provinces at that time. They have been trying to balance their budgets, at very great cost. Manitoba not only has an income tax but also had to enact a two per cent wage tax. Alberta has had to resort to the sales tax. Undoubtedly something will have to be done to help the provinces. For some time I think it has been recognized that the subsidy arrangements were far from satisfactory. But may I point out that this is not a recent development.

As the debate went on I recalled an article I read several years ago. It appears in the Canadian Forum for December, 1934, and is written by Mr. Norman McL. Rogers who, I am glad to note is the present Minister of Labour. In a carefully prepared statement he said this:

The failure to develop a satisfactory scheme of federal public finance in Canada was due in the main to certain erroneous assumptions in the original settlement of 1867, which were carried over with minor qualifications into the revised settlement of 1907. These erroneous assumptions may be enumerated as follows:

1. That increased expenditures by the provinces would arise from expanding population rather than from the acceptance of new governmental obligations;
2. That the expanding provincial services could be supported adequately and equitably by territorial revenues and direct taxation;
3. That the ends of federal justice would be served by a uniform scale of per capita payments to all the provinces of the dominion;
4. That subsidies payable by the dominion to the provinces should be stabilized on the above basis of per capita grants.