

Canada has warned us about this escalation. The figures show that before the end of this decade 50 per cent of the gross national product will be occupied by government. It is only fair to point out that provincial expenditures are increasing the fastest. This is because provincial delivery programs in the area of social security, which are direct offshoots of the state of the economy and of the federal government's economic and social policies, are vitally affected by the decisions of the federal government. Therefore, when we consider the growth in government spending we realize there is an increasing tax burden on private activity. This growth will eventually lead to the elimination of that activity.

Certainly we can see the increasing dependency of people on government programs. This will result in diminished initiative in the much needed further development of Canada. We recognize that government is growing and becoming more powerful. It is for this reason we need better governmental relations.

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The next characteristic of our country as a background of this bill is the subject of urbanization. The rate of urbanization in this country is nothing short of a phenomenon. Before the end of this century 94 per cent of Canadians will be urbanized and three-quarters of them will live in 12 major centres. Urbanization is caused by an interlocking set of developments spawned by exploding technology. Government efforts must be directed toward managing this process of urbanization. There are special problems of urbanization such as in public assistance, transportation, environmental management, leisure, recreation and housing, which all interact on one another, demanding more money which municipalities have no way to raise, thus exacerbating their dependence on federal and provincial government grants.

Right away, just this brief touching on urbanization, we see how important it is to have intergovernmental relations not only between the federal government and the provinces but between the provinces and municipalities to the benefit of people who are today being over-governed by this multiplicity of governmental structures and programs, many of which overlap one another, and all of which add to the great expense. That is the background that we face as we look at this bill.

The joint committee on the constitution that reported to a previous parliament took the position that a new philosophy, a new concept, is needed to meet the over-all problems of progressive government and urbanization, because only a new philosophy can counter the mounting evidence that government is big rather than strong, flabby rather than powerful, that it costs a great deal and does not achieve very much. More tinkering with government may not be enough. This bill is a tinkering in that it sets up a new bureau or secretaryship, without going all the way, as I said earlier. The present policies of the federal government with regard to this bill, as indeed with its policy on decentralization which we have seen focussed in the Department of Regional Economic Expansion, are inadequate.

It appears that government is too narrow. I would rather have a comprehensive plan based on a streamlining rather

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than a piecemeal solution. I feel the Prime Minister is moving in this direction. This again reinforces my view that, because we are going into an area where important decisions must be made relative to government structure in this country, it is all the more important that the one in the sensitive position to create that policy be answerable to this House.

Now I want to talk about the constitutional division of powers. The constitutional division of powers is another item at issue between the federal government and the provinces as well as the municipalities. We notice that decentralization is a theme running through the report on the constitution of Canada produced by the Special Joint Committee of the Senate and the House of Commons which reported in 1972. After recommending a new constitution, the committee's second recommendation is:

A new Canadian Constitution should be based on functional considerations, which would lead to greater decentralization of government powers in areas touching cultural and social policy and to greater centralization of powers which have important economic effects at the national level. Functional considerations also require greater decentralization in many areas of government administration.

The principal way in which constitutional decentralization can be brought about is contained in Recommendation No. 50 which sets the division of powers in a more modern context:

Concurrent powers which predominantly affect the national interest should grant paramountcy to the Federal Parliament and those which predominantly affect Provincial or local interests should grant paramountcy to the Provincial legislature.

We see then that the new policy on decentralization begins with full support of the constitutional committee's recommendations on decentralization and a commitment to implement them. A more functional allocation of governmental powers will benefit all regions, not just Quebec which presented a special and critical challenge to Confederation at the Victoria Conference referred to by my colleague from Northumberland.

In every area of Canada people feel that the constitution is preventing their governments from doing what they would like to see them do. The committee proposes an expansion of provincial powers in such areas as income support, criminal law, marriage and divorce, educational television, taxing powers and international arrangements. The committee supports limitation of federal powers with respect to appointments to the Senate and Supreme Court, and with respect to federal spending in fields of provincial jurisdiction. Of course greater centralization is necessary in the regulation of the economy. Hence there should be a transfer of some existing provincial powers to the federal parliament. For example, there should be an increase in federal jurisdiction over air and water pollution, international and interprovincial trade and commerce, incomes, securities regulation, financial institutions, unfair competition and foreign ownership.

The constitutional committee made a major recommendation concerning decentralization in the field of social security—the federal government would determine overall spending in such programs as old age pensions, supplements and family allowances, and the provinces would determine how this total was to be distributed within limits to preserve national standards and maintain the principle of redistributing income.