

Interim Supply

Mr. Pearson: I cannot answer that question, Mr. Chairman. I would hope it could be done within the confines of the present British North America Act; but if constitutional changes are required and they are agreed to by the provinces and the federal government, of course they could be made.

Mr. Diefenbaker: Mr. Chairman, this evening I do not intend to go into too much detail or review what was done at the recent conference, excepting in a general way. It may be, as a result of what the Prime Minister has said and what will be said after I speak, that the committee will continue to debate this matter, in which case I will have an opportunity later during the progress of the discussion in committee to deal in particular with a number of matters referred to by the Prime Minister. I say at once that his concluding words, while well chosen and having merit of a crescendo in hope and aspiration, are exaggerated beyond anything that I have heard descriptive of any benefits that may have flowed from this conference.

I say at once that this conference was preceded by pre-conference ballyhoo designed to lead Canadians to expect a solution to their problems under a new confederation formula. From day to day there were outstanding examples of hyperbole to build up the conference in advance, to create a crisis atmosphere as it were, to frighten Canadians that confederation was on its last legs. During the course of his opening words to the conference, the Prime Minister used such expressions as "a new beginning", in reference to what was about to be placed before the conference; a new chapter. In the light of what has taken place, I can only say that the hopes and anticipations that this conference was to do something that no other conference had ever achieved, have been dashed, and the event has proven to be a highly propagandized one which did not achieve the results which were expected. As a matter of fact, it looked for several months in advance that a banquet was going to be provided for the provinces. Well, several of them went home hungry.

I can only review this matter by going back a few months prior to the election campaign and placing before the committee something of what was said at that time, and noting the degree to which the rash promises were dissipated in the light of what took place at this conference. In his opening speech the Prime Minister said, in effect, that the conference would shape the direction of Canadian confederation for generations. Tonight he says it shaped Canadian confederation for one year.

[Mr. Martineau.]

Now, sir, I am going to refer to something that I think has been an effective outcome of this conference, and that is that this government has learned there is such a thing as consultation to make confederation effective. Consultation with the provinces on these matters that affect the provinces should be made in advance of action taken by the federal government. When the results will be felt not only by the federal government or when action concerns joint programs between the federal and provincial governments, there should be the widest possible measure of consultation. I suggest that when the next conference is called there should be a representative for the northern territories. Over and over again, the hon. member for Yukon and the hon. member for the Northwest Territories have been asking for action in that direction. Only within the last few days the Yukon legislative council passed a resolution requesting that a representative councillor should sit in as an observer at such a conference. I think that is something to which favourable consideration should be given.

We have contended that this government, in a cavalier manner, has been disregarding the basic principle of confederation, which is consultation. My hon. friends opposite have said that there was no basis in fact for our demand for consultation. I have always found that the best witness one can call is a witness that is not unfavourable to the side against whom an argument is being advanced. I call as my witness in support of the stand which we have taken in this connection the Hon. Jean Lesage, the premier of the province of Quebec. I ask the pardon of the committee for reading these lengthy remarks into the record. The length rather denies me doing that under normal circumstances, but I know after I have read this the committee will agree that it has a place on our records.

During the course of the past few months, we have had several unfortunate examples of a lack of consultation; the municipal loans fund, the pension plan and the designation of depressed areas eligible for special economic aid. This latter measure, because it considerably modifies depreciation allowance rates, constitutes a serious onslaught on the fiscal and administrative economy of the provinces, for without their consent, it influences their basis of taxation.

These views, now expressed by the premier of Quebec, represent the stand we have consistently taken throughout this session.

Thus, it is one government which—

He is referring to the government sitting opposite.

—without previous consultation, will determine the taxable income of another. It is true that Ontario and Quebec could refuse to grant this accrued depreciation allowance since they themselves collect corporation taxes. However, by acting in this way, one would reproach them, for creating