

Federal-Provincial Relations

We believe we have almost reached the stage where a great deal of the authority in administering our national affairs has been taken away from the House of Commons. Whenever the government of the day raises in this chamber any matter that could have some overtones with regard to provincial jurisdiction the first question that is raised is: Have you cleared it with the provinces? I think this is an unhealthy situation that is developing.

The Minister of Finance said that since the war there has been a substantial growth in shared cost programs. The reason this has happened is that the federal government has not been willing to vacate or even partially yield some of the tax fields they took over from the provinces during the war years. In addition, the major growth of government expenditure has been in those areas assigned exclusively to the provinces under the constitution. I do not quarrel with that. I think the people have a right to have growth and expansion in those services they desire. In other words, they have a right to the results they want from the administration of their affairs and if it happens that the desire has been for expansion of services that were within the jurisdiction of the provincial governments, then I accept that. But what I do not accept is the fact that the federal government has not been willing to turn over these tax fields to the provinces so they could accept and discharge their responsibilities.

Another great problem that has led up to the situation in which we find ourselves today is the fact that all federal political parties have made campaign promises on matters exclusively within provincial jurisdiction. When the party elected to office attempts to keep these promises it finds itself in the situation where it has to negotiate with the provincial governments to find out whether it can undertake these things.

Finally, Mr. Chairman, there is one other thing about which we in this party are very disturbed, and we can see the kind of legislation that will follow this resolution, further aggravating the situation. I refer to the business of concocting formulas to meet a predetermined figure in dealing with the sharing of revenue. I am happy that the Minister of Finance referred to that famous quotation from *Hansard* of 1905 where it was said that the responsibility for collecting revenue must rest with the spending authority. This cannot be done completely and I realize that perhaps it would not be desirable

[Mr. Olson.]

to have different levels of personal income tax throughout the country, but I do think there should be some kind of fixed formula for the disbursement of revenue to the provinces.

We know, for example, that in the equalization payments certain factors are found in the formula that result in an unequal distribution of money. The province of Alberta has justifiably complained about the inclusion of half of the revenue from natural resources. I do not want to go into that subject deeply again because I am sure the Minister of Finance is quite familiar with the injustice of the inclusion of that factor in the tax equalization formula.

We also believe that the central government must maintain exclusive authority in certain areas and we certainly hope that the resolution and the bill to follow will not lead to a situation that will weaken the central government at a time when it needs to be strengthened. I am not one of those who believe in complete centralization and complete authority resting in the federal government in all fields but I think there are certain areas where the federal government needs to maintain its exclusive authority to the extent that it is not negotiable with the provinces at all. Otherwise we are always going to find ourselves in the situation of having to negotiate so-called political bargains with regard to the distribution of the tax dollars collected by the federal government.

We are not going to oppose the resolution, Mr. Chairman, or carry on the debate at any length today but we have certain reservations about this matter. In particular, we believe that the jurisdictions of the two levels of government should be redefined and that we should make sure that the federal government does not begin to move into provincial jurisdiction again as much as they have in the past, which in fact has led up to the situation that we face today.

Mr. Gordon: Mr. Chairman, there is one matter which I think I should clear up. The Leader of the Opposition in the course of his—I hope he won't think I am being offensive—refreshingly brief remarks said he would like an assurance from the minister that if the resolution is passed no action will be taken in the intervening months until the bill can be dealt with. Naturally, as I am sure he knows, I cannot give him that assurance. If the resolution is passed the provinces will be entitled to operate, as I think they are anyway, on the basis of the letters