

*Dominion-Provincial Relations*

report in the *Globe and Mail* of April 26, 1957 the Prime Minister, in a speech on April 25, said:

We believe in the federal system of government. We believe that its preservation is essential to Canadian unity. We believe the federal system is today being challenged by the centralization complex of the St. Laurent government and that a health division and balance of revenues as between the federal and provincial governments must be assured.

Such declarations have been repeated on many occasions, particularly during the last election campaign.

(Translation):

Now, Mr. Speaker, I shall quote part of a letter which was sent a few weeks ago to Quebec Conservatives and which was read by Hon. Mark Drouin, Speaker of the Senate, at the close of a dinner given by the young Conservatives.

It is from the newspaper *La Réforme*, for January 9, 1958. Here is what Mr. Diefenbaker says of the Liberal party:

This opponent had been in power for 22 years. Was there, in the whole of our history, a period when dissatisfaction was more widespread, to such an extent that almost all the provinces rose against it because it had turned away from the spirit and the letter of the constitution which governs us and the respect for which is essential to the maintenance and survival of your most cherished rights and freedoms?

Let me add, Mr. Speaker, that when, during the election campaign, the Prime Minister stated repeatedly that the Liberal party had drifted away from the spirit of our constitution, I do not know what he meant, particularly since everyone is fully aware that what was intended by Sir John A. Macdonald was the creation of a monolithic state, as opposed to a federation of provinces. If this is what the Prime Minister had in mind, he can be said to be indeed working in the direction of centralization, as we shall see from the following remarks:

(Text):

In this declaration in Quebec a few weeks ago the Prime Minister implicitly approved the attitude of Premier Duplessis on matters relating to fiscal relations. It is interesting to note the attitude of Premier Duplessis with respect to this matter. In 1945 at a federal-provincial conference Mr. Duplessis had this to say:

(Translation):

It is the considered opinion of the province of Quebec, it is the considered opinion of highly qualified jurists, that the fact that the constitution of 1867 specifically gives to the provinces the right of direct taxation means conclusively that the provinces have priority in the matter of direct taxation.

And further on, on page 413 of the report, he says the following:

[Mr. Breton.]

Natural resources belong to the provinces. They belong to the provinces to such an extent that the Privy Council decided that even a federal loan does not affect provincial natural resources. That is why I say that some consideration should be given to the exclusive and essentially indispensable right of the provinces in connection with natural resources, forests, water power, mines and so forth.

(Text):

We have in this declaration by Mr. Duplessis a complete contradiction of the attitude of the present government. In 1945 Hon. George Drew made a similar declaration in which he approved, in part, the attitude of Mr. Duplessis, and in which he quoted Sir Wilfrid Laurier, as recorded at page 569 of the report of the conference.

(Translation):

Quoting Sir Wilfrid Laurier, Mr. Drew said this:

It is a completely false principle that one government should impose the taxes and another government spend them. This will always lead to extravagance.

(Text):

In other pages of this report Mr. Drew contradicted Mr. Duplessis on the question of the rights of the federal government with respect to direct taxation, but never did the present Prime Minister oppose the declarations of Mr. Duplessis in 1945, 1955 and 1957. I believe that is one of the reasons he did not discuss the problem with the provinces, but has been content to introduce a bill giving them some money. It is because he is sure Mr. Duplessis does not share his point of view. For the Prime Minister, not compromised in any way as to a definition of centralization, it is easy to say that the Liberals do not want centralization and that this is decentralization; but if hon. members will look at the facts they will realize that there are not two kinds of centralization. The Prime Minister tries to convey to the people of Quebec that he is a decentralist, and to the other provinces he says that decentralization means more money.

I think the conclusion we can draw from all this since the government took power is that there is a big difference between words and deeds; and we must reproach this government with trying to give a false impression, if not to the whole of the people of this country then at least to the people of the province of Quebec.

**Mr. C. W. Carter (Burin-Burgeo):** Mr. Speaker, the bill we are now debating on second reading is entitled an act to amend the Federal-Provincial Tax-Sharing Arrangements Act, and I should like to say at once that I welcome very heartily this much needed assistance to the Atlantic provinces, and in particular I welcome the very substantial assistance to my own province.