

Dominion-Provincial Relations

words, the provinces have agreed with this proposal.

Second, it is for an interim period only. There will be those who would prefer to do nothing until the final arrangements have been worked out by the tax structure committee, but this would be unfair and unacceptable to those provinces which are anxious to assume a greater measure of responsibility for the programs in question—programs in fields which, under the constitution, come primarily under provincial jurisdiction. As a result of these interim measures we shall gain useful experience which will be helpful in working out more permanent arrangements for the future.

Third, if Canada is to remain a strong and united nation, if we Canadians are to take full advantage of our tremendous opportunities and of our country's truly great potential, we shall have to be prepared to experiment and to change with the times. In a world that is changing rapidly and becoming increasingly competitive, we must develop new policies and new attitudes of mind in our economic affairs.

Similarly, in a Canada that is changing rapidly, we must develop new policies, new approaches and new attitudes of mind in our domestic affairs. And so I would ask all hon. members who plan to participate in this debate to look forward rather than backward; to welcome, not to fear the changes and the challenges that lie ahead; to remember that a broad and flexible approach rather than a narrow rigid one is what is needed if our country is to prosper and succeed.

Mr. Olson: Did the minister say that all of the provinces have agreed to the provisions in Bill 142?

Mr. Gordon: They have all agreed to the general approach. They have not agreed to the detailed provisions in the bill; they have not been asked to.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, this bill in the eyes of certain people on the government side is one of the show horses in their stable. A great deal has been written about it; a great show has been made about it, and somehow or other the phrase "opting out" has been coined as a result of the meetings which led up to this bill and to the agreement behind it. With the greatest respect, Mr. Speaker, I think this is one of the biggest hoaxes perpetrated on the Canadian public in the last few years.

There is no opting out in this bill. Provinces are going to be given the right to sign

[Mr. Gordon.]

supplementary agreements to joint programs in which they are now involved, but those supplementary agreements so far as the great majority of and the most important joint programs covered by the bill are concerned, will not give a province one more iota of freedom or room to manoeuvre. Essentially they will be the same programs, with the one basic exception that provinces will take over their administration.

Provinces will be entitled, if they so signify by October 1 next, depending upon the programs which they elect to enter into negotiations on and sign supplementary agreements about, to so many additional points under personal income tax, to a maximum of 20. They will be entitled to adjustments under equalization grants, and in the event that there should be a recession, with insufficient income under income tax and under the equalization program, in specified cases grants may be made from the consolidated revenue fund so that a province will not be worse off.

But with respect to opting out in the context which was trumpeted about, by both the Prime Minister (Mr. Pearson), other ministers, and certain provincial premiers saying this was a great victory, I point out that this bill does not allow the provinces one iota of latitude, with some minor exceptions under schedule II, but it is not going to lead anywhere under schedule II.

What will it do? I will tie them in within the same programs and the same responsibilities. If there is an excess of money in the income tax abatement program or the equalization fund there must be a refund to the crown of Canada. I will admit that under schedule II dealing with the agricultural lime assistance program, certain forestry programs, hospital construction programs, campground and picnic area programs and roads to resources programs—which in the main have been carried out—provinces may, with the approval and concurrence of the appropriate minister of the crown of Canada submit their own programs which in lawyers language I would call *cy-près* programs, meeting the general objectives of the initial joint programs.

If someone had said: "Yes, in 1967 and in 1970 the provinces will be given the opportunity, since they have the money, to change the nature of programs, to do as they see fit and not renew either the original joint programs or the supplementary agreements" then one might say: "Yes, you are giving the provinces a chance to change". But they are not opting out in the connotation put to us,