

*Federal-Provincial Relations*

more of the taxing powers in this country to devolve on the provincial government.

The minister made mention of the Rowell-Sirois commission. I have a very clear memory of that because I was sitting on the opposite side of the question in the provincial legislature. I remember the discussions that took place at that time about the transfer of fiscal powers from the provinces to the federal government. A great many fears were expressed as to the ultimate result of that transfer. I doubt whether anybody looking back over the history of the past 20 years could have any doubt that that was a move in the right direction, and if we consider what its specific and urgent purpose was, I think we will see how extremely important this division of fiscal powers is. It was, of course, brought on under the approaching pressures of war, which required a tremendous federal-national program of development. In order that we could have a national program of development for military purposes it was necessary to transfer many of the fiscal powers to the federal government.

I submit, sir, that we have today no less an urgent need for an overriding national economic development than we had in the 1940's when we were faced with that military situation, and for the government to divest itself of the powers which will be required in order to direct and stimulate that economic development at this time, seems to me to be extremely shortsighted. I hope that the tax structure committee in its examination of the tax structure of this country will bear these matters in mind and will not be too concerned about assuaging the local ambitions of provincial governments. I have on more than one occasion suggested that this problem of the provinces versus the federal government has been, as it is today, oversimplified.

We are being asked to believe that there is only one province in Canada which is engaged in these pressures for disintegration, if you like. Whereas it is perfectly obvious that this is an apparent characteristic of powerful provincial governments. Alongside that, if you are looking for separatists it is no good just looking over the Ottawa river. We should also look over the Rocky mountains. Indeed you may look also closer at hand. We have a very clear warning coming from Toronto these days that the Ontario government is getting all set to torpedo the national pension plan.

**An hon. Member:** The Christmas spirit.

**Mr. Cameron (Nanaimo-Cowichan-The Islands):** No Christmas spirit there. It is not Christmas day yet. These are dangerous trends in the country and they should be resisted in spite of a possible loss of favour among certain provincial potentates. I believe that today more than ever before there is a necessity for a national plan and a national purpose in the development of our country which can only be carried out if the federal government reserves to itself and retains adequate fiscal powers that will enable it to do so. I am extremely uneasy about the suggestions that have been made this afternoon by the minister. I can only hope my uneasiness may be allayed when I see the legislation, but I have very grave doubts in that regard.

**Mr. Olson:** Mr. Chairman, we listened with interest to the Minister of Finance when he spoke on the resolution respecting this measure of an interim nature dealing with certain conditional grants and shared cost programs. I am going to be as brief as possible and yet convey some of our thinking to the Minister of Finance in this regard.

He said first of all, I believe, that all of the provinces have agreed to review these shared cost programs, that this was being done through the tax study committee and that they were basically in agreement with the opting out provisions contained in the resolution. I think he could probably have been considerably more accurate if he had stated that in so far as the provinces are concerned there is unanimity respecting the matter of basic services, that all of the provinces have agreed that this is a proper area for the federal government to be in and that even though these services may fall within the jurisdiction of the provinces there should be minimum basic services in a number of the fields that the Minister of Finance suggested.

But when it comes to the matter of some of the formulas that have been concocted recently to distribute the tax revenue to pay for these shared cost programs there is vigorous disagreement. We in this party believe that there is a great need today for this kind of review. We also believe that along with such a review certain constitutional amendments should be made which would redefine and redelineate areas of responsibility. We in this party are becoming very concerned about the growth of a fourth level of government and the importance being placed on it. I refer to dominion-provincial conferences.