

Federal-Provincial Relations

of the federal parliament but also of each and every province in Canada.

We want carefully to examine legislation which would allow a wholesale opting out; not an opting out on matters, constitutionally and necessarily so, within the jurisdiction of the provinces, such as education, but the whole field mentioned by the minister, such as ARDA, roads to resources, the trans-Canada highway and the like. We want to be assured that in any scheme to permit of a wholesale opting out we are not taking a step which will ultimately lead to the fragmentation of this nation and the deconfederation of our country.

Having said that, without going into great detail at this time, I conclude by saying that this is not as casual a matter as the minister has suggested in the statement he read to the house. This is one of the most serious matters which should and must receive consideration of parliament and of the provinces. Steps such as this, in order to achieve immediate purposes, are dangerous unless there is a most careful scrutiny and examination made to assure that in the years ahead the acceptance of the general principle of opting out by provinces will not lead to the creation in this country of a series of associated states, as it were; a culmination which I am sure none of us desires, because it would only lead to the weakening of national unity and a denial of the abiding purposes upon which confederation was envisaged, and finally consummated.

Mr. Cameron (Nanaimo-Cowichan-The Islands): Mr. Chairman, while it is not possible to be sure what is intended by the legislation which is to come before us, I must say that I was somewhat disturbed by the minister's statement this afternoon, because it appears to bear out the anxiety I expressed some weeks, or possibly months ago, when I raised a question in the house about a speech made in Montreal by one of the minister's colleagues, the Secretary of State, which appeared to me to be an invitation to all the demands for fiscal decentralization.

At that time, the Secretary of State assured me that that was not his intention, and he very kindly provided me with the text of his speech in both French and English; and while there was nothing in that speech that one could definitely point to as an acceptance of even greater decentralization, the whole tone of it appeared to me to be in that direction.

This afternoon the minister has suggested the areas in which more decentralization should take place. In fact, he appeared to be of the opinion that when we have old age

[Mr. Diefenbaker.]

pensions, unemployment insurance and hospitalization across the country, we have pretty well completed the purposes of federal participation. It seems to me, sir, that there are some fundamental economic principles and fundamental national principles involved.

I was not impressed with the minister's quotation, that he who spends should be made to tax, which appears to me to be a clear statement of the government's desire to escape any odium by raising funds in an area in which it is not going to itself directly disperse them. That does not seem to me to be a very responsible attitude for a government of Canada.

I am concerned principally, however, Mr. Chairman, with the danger that I see resulting from a too far reaching program of decentralization, such as was outlined by the minister this afternoon—a danger to our federal control of the economy and monetary system. I have in mind the very close relationship which has grown up, and is now acknowledged by most people, between the federal government in this case, through national government bond issues, and national government fiscal powers and control over the monetary system. They are linked inseparably together, and in my view the government will have to be very careful as to how far it goes in the process of divesting itself of the fiscal power which will be required in order that it may fulfil its functions of controlling and managing the monetary system of our country.

The minister also made mention of conditional grants. I think this is an area where there should be some reform take place. These grants should perhaps be made on a much wider basis than they are at the present time, and I have in mind, for instance, grants that are made for hospital construction. It may very well be that in one province or other there happens to be at a particular time no current need for further hospital beds, but very urgent needs for other health services, perhaps in the way of cancer research or cancer treatment, or various medical projects of that sort.

As things stand at the present, of course the provincial governments cannot divert conditional grants made in regard to hospital construction to another purpose. I think it would be the better part of wisdom to make these conditional grants on a much wider basis, and base this decentralization of administration on that principle. I think it might well be quite dangerous to permit more and