

Dominion-Provincial Conference

constitutional position has been a concern of mine for some years. I say this in order to exchange views, Mr. Speaker. He invited hon. members to tell him how that spending power should be limited. We are worried that the policy and intention of this government may be to compartmentalize the powers in the present constitution and to carry over the compartmentalization of those powers into the new constitution, thereby reducing the capacity of the federal government to be a strong central government in the meaningful sense of that term, reducing the capacity of the federal government and parliament to use their spending power in order to assist the people in every region of Canada to achieve minimum national standards in all the areas I have mentioned and many others I have failed to mention.

• (2:20 p.m.)

In this context one cannot avoid being distressed at the rather flippant and callous attitude of the federal government in saying to the provinces, "If you want money, go ahead and tax yourself." There are at least four and probably five provinces in this country that cannot tax their people any more, and could not get any more out of increased taxes because they do not have the base on which to tax. You cannot get taxes out of people with an average income of just about 50 per cent of the average per capita income across Canada, or very close to 50 per cent, which is the case in all the Atlantic provinces.

Premier Smallwood, in one of his delightful interventions at the conference, pointed out that he already taxes the people of his province in certain areas—sale taxes, gasoline taxes, and one other which for the moment I cannot recall—at a rate higher than the rate in the richest province of Canada, Ontario. So to say to at least half of our provinces, "Go ahead and tax yourself," is really to utter unattractive nonsense. Surely it cannot arouse the enthusiasm of the people in those provinces about a federation, a kind of federalism that tells them to do what they cannot possibly do and therefore condemns them to a standard of living, to a standard of services, a standard of opportunity and a condition of life that must fall below that of the average in Canada.

I am not suggesting that the Prime Minister and his government intend that. I am not suggesting that for one moment. I am aware of their intentions in the realm of regional planning and regional development. We probably may disagree with the particular plan

they have in mind. It would be unfair if I did not recognize that they had that in mind, but that does not negate the harm done to the unity of the country by the flippant and callous remark, "Go ahead and tax yourselves."

In the same context and the same way I do not think it helps the future of this country and the strength of confederation for the federal government to insist that the Medical Care Act contains a provision which limits it to five years, and to indicate to every province and, indeed, to the people of the country that when it suits the federal government's purposes it will withdraw from present joint programs.

Mr. Trudeau: You voted for that act.

Mr. Lewis: Of course I voted for it. Mr. Speaker, I have voted in the years I have been in parliament and my colleagues who have been here longer have voted many times for many unsatisfactory pieces of legislation produced by the right hon. gentleman and his predecessors because we were determined to get at least a little if we could not get all that was necessary. So of course we voted for it, and we would vote for it again if it were presented to us because we believe in the necessity of medicare across Canada, and even with that limitation it was better to have the statute than not to have it.

I think the provincial governments are not wrong when they plead with the federal government that its unilateral withdrawal from present joint programs should be abandoned, and that the federal government should carry on the work it has done in those spheres in which it has so far participated.

Having said that we believe in a stronger federal government and parliament, I hasten to add that we are fully aware, my colleagues and I, that the size of our country, and the diversity of its people also make necessary stronger provincial governments, and that it is impossible to run this country, whether it is a medicare plan, a housing plan or anything else that is involved, all from Ottawa. We believe that it is necessary to decentralize the choice of policies in many instances, and certainly to decentralize the administration and the carrying out of policies through the provinces and indeed through the municipal governments within the provinces. It was because of our realization that a modern society requires a strong central government, and that a country like ours also requires strong provincial governments, that we developed