

*The Address—Mr. Drew*

those put forward by the government of Ontario. In the search for information, which I hope will be pursued following these remarks, I suggest that, in reading the record, careful attention be paid to what was said by Premier Macdonald of Nova Scotia, who in the clearest and most cogent terms criticized this attempt to centralize power, and pointed out the fundamental and historic danger to a federal system of substituting annual subsidized payments to a provincial government in return for their own independent taxing power upon which their legislative independence must depend. The fact is that some very useful proposals were put forward by other premiers. An extremely clear, useful and powerful argument in regard to independent taxing powers, and the ability of the provincial governments to carry out their function in clearly defined fields, was put forward by Premier Manning of Alberta. I must confess that I have not been able to quite understand why it was that such a determined effort was made to make it appear that only Ontario and Quebec had failed to agree with these proposals.

Those two governments did not sign the tax terms—remember, the tax agreements related to this conference. They did not sign the arbitrary tax terms put forward in June of 1946, because they were able to carry on their own financial affairs. And the time will come when the people of Canada generally will have reason for considerable satisfaction that there were two provinces which were able to hold out, so that complete centralization of financial power did not get into the hands of the dominion government.

I have noticed that one of the less informed members who have spoken on this subject made the statement not long ago that as premier of Ontario I had no concern with principle in connection with this until after the conference, that it was only a question of the amount of money we got. To him particularly I would urge a little reading. But I think that, taking the generous view, it was a lack of knowledge of what occurred that led to such a remark.

I think I should clearly indicate what some of the basic principles were which were being asserted by myself as premier of Ontario at that time and by the premier of Quebec, and by the premier of Nova Scotia, and by the premier of Alberta, and by others who were attending that conference. I think you will find a very high measure of unanimity in the general views we expressed.

There was very clear evidence of a belief that under the federal system, which divides the fields of legislative and administrative responsibility between the dominion and provincial governments, the establishment of an

effective functional relationship is probably more important than anything else, and that one of the really effective steps toward the solution of our constitutional difficulties is to create the simple mechanism that will bring the governments together in continuing co-operation, through some form of permanent secretariat, and the regular meetings of representatives who meet with the knowledge of what the general responsibilities of the governments are.

However, admittedly, that is a detail of operation. The main point with which we were concerned was that there must be no doubt about regular conferences, if we were to make use of all the combined powers we had in bringing about a solution of our constitutional difficulties. One of the things that was emphasized, and probably emphasized more strongly by Mr. Macdonald than by anybody else, was that unless some such meetings took place, and started then, the agreements that were described as temporary must inevitably become permanent agreements—because when the time came for the present agreement to terminate no solution would have been found for the problem; and it would simply be a case of going ahead, following the same course and adjusting the amounts.

It would mean that the provinces would be giving up effectively the main taxation fields made available to them under the British North America Act without the assurance of any other exclusive fields of taxation, within which their taxing powers could be exercised with any degree of independence for the purpose of raising those revenues necessary to carry out their many and increasingly complex responsibilities.

To enter into any agreement such as that suggested, no matter how attractive it might have appeared at the time, without the assurances which were asked, would simply have meant that the provinces would have established by agreement their permanent dependence upon a system of subsidies which has wrecked every federal system in the history of the world after a relatively short period of time, once it has been put into effect.

I have seen it argued that we were inconsistent in asserting these principles—and may I remind at least one hon. member opposite that it was principles we were asserting. In relation to these principles it was pointed out, however, that Ontario was prepared to sign a transitional or temporary agreement, because we knew that we had not a solution then—so long as there was an unqualified and enforceable undertaking that we would meet right away to examine our whole tax structure and prepare for a new

[Mr. Drew.]