

*The Address—Mr. Fulton*

That being the case, there can be no excuse for the failure of the dominion government to reconvene the conference, particularly in the light of the fact that virtually every province has requested in writing a resumption of the conference to adjust important and pressing matters which have been long outstanding. No province more urgently requires a resumption of discussion and adjustment of detail than the province of British Columbia, the province from which I come. I said that every province desires a resumption of the conference. One has only to refer to the white paper, "Correspondence since the budget of 1946 on matters of substance regarding tax agreements with the provinces", to see that this is true. I should like to refer again to the remarks of the premier of Saskatchewan as recorded at page 53 of that document. The premier wired the Prime Minister of Canada on July 12, 1946, and in his wire there is this passage:

Therefore urge reconvening of dominion-provincial conference in order to work out social security plans on national basis.

The premier of Nova Scotia has urged on many occasions the reconvening of the conference. The premier of Prince Edward Island has urged the reconvening of the conference. I think that the wire from Premier Jones, and the reply of the then Prime Minister of Canada, are particularly interesting as illustrations of the manner in which this matter is being dealt with by the federal government. On January 7, 1947, Premier Jones of Prince Edward Island wired to the Prime Minister of Canada as follows:

I suggest that five provinces which have made agreements should get together at once and review the agreements made and adjust them to their mutual satisfaction with the concurrence of your government.

The following reply was sent:

My dear Premier:

I duly received your telegram suggesting that the five provinces which have made agreements should get together at once and review the agreements made, and adjust them to their mutual satisfaction with the concurrence of the dominion government.

I shall be pleased to see that careful consideration is given to this suggestion.

Yours sincerely,

W. L. Mackenzie King.

That was two years ago! The premier of Alberta has asked for the reconvening of the conference; the premier of Ontario has asked for the reconvening of the conference; and no one has suggested more urgent reasons for the reconvening of the conference than the premier of British Columbia. The situation in which provincial governments, and particularly the government of my province, find themselves today, is that there is an ever-

increasing pressure on provincial expenditures on those matters which are properly within the sphere of provincial authority, and expenditures which should properly be made by the provinces in fields of social security, development of resources, and so on, within the province. But as a result of the tax concessions made in the individual agreements reached, the province of British Columbia, along with others, finds itself increasingly unable to carry out its responsibilities without resorting to tax measures unpopular, uneconomic, unscientific, and undesirable. The premiers themselves agreed that these taxes would not have been imposed had they not been driven to that necessity by the assumption by the federal government of exclusive taxing powers in the major fields, while at the same time the federal government refuses to implement the financial undertakings it gave when the conference was first called, and on which the tax agreements themselves are based.

We see here a deliberate attempt to starve the provinces into submission so that no province will be able to carry out its own responsibilities without coming to the federal government for handouts, without making further agreements with the federal government, at the dictation of the federal government with respect to their taxing powers. I make that statement quite deliberately because it is fully supported by the words of the present Minister of Justice (Mr. Garson). Speaking in this house, in the course of this debate on February 2, he spoke with favour of the theory of the financial starvation of the provincial governments. Discussing what he regarded as the financial scheme at the time of confederation, he said, as reported at page 165 of *Hansard*:

The provinces were deliberately left with small revenues, which in some provinces were inadequate from the start, in order that the legal powers which they received under the constitution would be supported as little as possible by revenues wherewith to pay for exercising them.

That is a very clear statement of the policy being deliberately pursued by the present government in its attitude to the provinces. We might be inclined to say that it is a matter of little consequence, but let us consider the practical application of what the dominion government is doing. I am referring to matters of interest to every one of us here as citizens of Canada, and as citizens of the areas in Canada from which we come, because our areas, the lives we live, the prosperity and welfare of every one of our fellow citizens, depends upon our local government, our provincial governments, being able to give to our provinces the services which they require.