

*Interim Supply*

that we just did not think about it. We know about that in international affairs.

I think this would be a step forward and we all agreed to do that. We on the federal side will be taking steps toward that end.

Then it was thought that in addition to these separate agencies or departments, provincial and federal, we could set up a liaison secretariat. It was felt we should proceed carefully about this, because this is not the kind of thing that should be done overnight in that a secretariat of this kind in Ottawa, if you like, might create more confusion than it would do good in the field of consultation and co-operation, because it would be difficult to figure out at the beginning to whom such a secretariat would be responsible, if it had representatives of all the governments, provincial and federal. We thought this was an objective to be worked out in the light of experience.

Finally, in this field of consultation it was felt it would be helpful if we could have a kind of calendar of federal-provincial meetings each year. At the beginning of the year the federal-provincial ministerial contacts required during the year would be worked out. Some of my hon. friends opposite have had experience with this kind of thing and if hon. members will study this matter, as I am sure some of them have, they will be surprised, if they did not know it before—I know I was surprised—at the amount of federal-provincial consultation that now goes on and the machinery that has been set up for federal-provincial consultation. It was felt it would be helpful if we could organize this matter, pull it together and relate one kind of consultation to another, so that at the beginning of the year we would have a kind of calendar of federal-provincial conferences during the year, culminating at the end of the year perhaps in a federal-provincial conference at the prime minister-premier level, to which there could also be invited ministers of finance and economic affairs, who would take part in that kind of consultation at the end of each year. We thought that would probably be a very good thing to do.

While there was general agreement on the desirability of this kind of consultation, I pointed out, and I think others had the same feeling, that while consultation is essential, consultation is not an end in itself and consultation can be no substitute for action, as some of us have learned from experience in the field of international affairs. Therefore consultation should not get in the way of action. It should ensure that the action that is being taken is the kind of action that will

not cause trouble afterwards because people who were concerned were not consulted about it. I hope we will be able to make a good deal of progress in the months and years ahead in this development, which is so important with this new concept of what I have referred to as co-operative federalism.

The most important work in this field lies ahead of us, because it certainly was not completed last week, and indeed the most important subject that we discussed last week in its immediate effect was the question of tax sharing and equalization. As I pointed out, as a result of the conference, the federal government will now propose to parliament certain changes in the fiscal arrangements for the coming financial year. As I have said, they are changes which will mean the federal government's revenues next year will be \$87 million less than they would be if the existing arrangements had carried through without change, and the revenues of the provinces will be correspondingly increased.

The changes that are to be made in this field are not exactly the changes that I indicated at the beginning of the conference the federal government would have preferred to make. I emphasized in the discussions at the beginning of the conference, as I have emphasized many times before, my belief in the concept of equalization of provincial revenues through the shared tax field, and we would have preferred to have full equalization, which means equalization up to the revenue level of the top province. We have been criticized and very strongly criticized at the conference, for not doing just that. The hon. member for Burnaby-Coquitlam had a few words to say on this and my hon. friend's successor as premier of Saskatchewan criticized us at the final meeting at the conference, and in public, in much the same terms. I should like to deal with this particular criticism, but as it will take me ten or 15 minutes to complete what I have to say, perhaps you might permit me to call it five o'clock, Mr. Chairman, before I go into that.

**The Chairman:** Order. It being five o'clock it is my duty to leave the chair in order that the house may proceed with the consideration of private members' business, pursuant to section 3 of standing order 15.

[*Translation*]

**Mr. Deputy Speaker:** Order. It being five o'clock the house will now proceed to consideration of private members' business as listed on today's order paper, namely notices of motions.