

1 We have been transferring taxing resources to the
2 Provinces, so they can do it, now, on their own. They have
3 matured in terms of Administration and all that.

4 What we find is that once we are not loaded with
5 a lot of technical problems of Administration, we get more
6 time to provide political leadership, because then we can
7 think in terms of broad planning; in terms of broad objectives;
8 And we find that the Provinces are quite receptive to
9 working on a cooperative basis, when you are not trying
10 to do their job, but trying to work at resolving and putting
11 forward the broad objectives for the Country.

12 It is the same thing that we are attempting to do
13 in the Economic field at the present time. In the
14 Provinces, there has been a very substantial shift of
15 effective power to the Provinces of Canada for the last
16 15 years. About 15 years ago, the tax resources were 60%
17 Federal and 40% Provincial: Provincial with Municipal.
18 Now, it is the reverse: 60% of the tax resources are
19 being administered by the Provinces and Municipalities,
20 and 30% by the Federal Government. That is a net transfer--
21 in our economy--of about \$20 billion to the Provinces, in
22 terms of total budget.

23 So that there is a very significant transfer
24 of resources, and the Provinces have, under our Constitu-
25 tion, a large degree of economic power. About 80% of the