

*Housing*

parts of Canada feel, as they do now, that they are the Cinderellas of Confederation, that they are ignored and overlooked.

Third, I would point out that the status quo concept of the constitution fails to take cognizance of the fact that new problems have arisen which were never envisaged by the framers of the British North America Act. Urban renewal, housing, urban transportation, pollution, manpower training, higher education and the need to cope with inflation cannot be resolved on the basis of the 1867 division of powers and responsibilities as between the three levels of government.

**Mr. Baldwin:** Don't forget the present Prime Minister.

**Mr. Douglas (Nanaimo-Cowichan-The Islands):** It is not good enough for the Prime Minister to hide behind the constitution and say that these problems are the responsibility of the provincial authorities. The federal government alone has access to all the taxing fields. The federal government alone has control of the monetary and fiscal policies of the country. The federal government alone can redress the imbalance which exists between the various regions of Canada.

The Prime Minister is seeking to put Canada into a constitutional strait-jacket. He poses as the man of the future. He speaks eloquently of breaking with the past and meeting the challenge of the future. Meanwhile he is tying around the necks of the Canadian people the albatross of an outmoded concept of Canada's constitution. I suggest that the Prime Minister's rigidity in his conception of the constitution can do irreparable damage to this country, and the resignation of the Minister of Transport yesterday indicates that at least one of his colleagues has become aware of that fact.

We in this party believe the constitution must be used to serve the needs of the Canadian people in a modern technological age. There is much that can be done by the federal government, even under the constitution as it now stands, if the government is prepared to provide imaginative leadership. The federal government can make grants and loans available to the provinces and through them to the municipalities either on a conditional or unconditional basis. Instead, the present government has been withdrawing from cost-sharing arrangements and has been leaving the provinces to their own resources. Tax abatements help the wealthier provinces

but have little value for those provinces with a negligible tax base. The federal government could establish joint federal-provincial programs to deal with housing, pollution and urban renewal. It can supply the necessary funds and expertise while leaving to the provinces the on the spot administration and supervision.

We believe that in the long run the federal government should press for a constitutional formula which will provide for a delegation of legislative powers to enable the provinces to delegate whatever authority is necessary to the government of Canada to meet some of our most pressing problems. It could also include a formula to provide for concurrent powers as has been done in many other federal systems.

During the election campaign last year the New Democratic party advocated such an approach. We recognized, however, that the province of Quebec in its desire to safeguard its language and culture might be reluctant to agree to certain transfers of authority. Therefore we took the position that those provinces which did not wish to delegate certain powers should not be permitted to prevent the federal government and the other provinces from dealing effectively with some of these more pressing problems.

It was for this reason we suggested that Quebec be allowed particular status as was done in the case of the Canada Pension Plan where nine provinces and the government of Canada proceeded with a very desirable piece of social legislation and arranged for Quebec to have a plan which would be portable and reciprocal. Has this hurt Confederation? Not at all. It has certainly demonstrated that flexibility within a living constitution can meet the needs of the people. That, primarily, is what a constitution is for. If Quebec desires to do so there is no reason that she could not operate her own programs in some of these fields and receive an equivalent financial contribution from Ottawa.

● (2:20 p.m.)

The Prime Minister has accused us of favouring two Canadas. I want to point out that we are seeking to establish one Canada with a constitution sufficiently flexible to enable this country to cope effectively with problems whose solutions we dare not longer neglect. I want to say to the Prime Minister that yesterday's resignation is the first sign of growing disenchantment and disillusionment