

years the premier of the province comes to Ottawa for in camera meetings with all other provincial premiers of Canada in order to renounce Quebec taxation rights for another five years.

• (1550)

After this treacherous deed, a Quebec premier threw up his arms on television and begged Ottawa to give him back his taxation rights or to stop interfering in Quebec's affairs. Could there ever be a more cynical farce?

Did you know that at these secret meetings that are held every five years, all decisions require unanimous agreement by all premiers?

I should have many other things to tell you, but my time is getting short.

We of the Social Credit party are always in favour of decentralizing taxation powers. But as we must live under this curious system, as the majority in Parliament always decides, we support the statement made in Victoria by Mr. Bennett and published in *Le Devoir* on February 16, 1972. He suggested that it would be more efficient to help citizens individually instead of giving all the money to provincial governments.

We hope that the conclusions of the report by the Senate Committee on Poverty in Canada, which was tabled in late 1971, will be accepted by the government and that they will materialize in 1972, so that we can ensure a guaranteed minimum income to the people of Canada from coast to coast.

• (1550)

[English]

**Mr. Lloyd Francis (Parliamentary Secretary to Minister of Veterans Affairs):** Mr. Speaker, I can remember, as I am sure many hon. members of this House do, reading the story of Confederation and the remarks that were made by those who were so far-sighted as to play a leading role in bringing it about. I can remember that one of the Fathers of Confederation from the province of Nova Scotia had this to say to his son, "My son, you have no country, because Mr. Macdonald has sold us to the Canadians for 20 cents a head." Few of us would look on that kind of remark today with any commendation, but the remark in many ways symbolizes the difficulties over the years in working out an equitable and acceptable relationship between the federal authority and the provinces.

The problem lies first in the parochial attitudes in some parts of the country. But it is not fair just to describe these as parochial. They have developed into a theory of the role and the function of provincial authorities within Confederation, and have been compounded by the duality of languages and the plurality of cultures in our society. But in addition, Mr. Speaker, the problem has been compounded by the inability, over the years, to work out a generally acceptable formula which would be recognized by federal and provincial spokesmen in all parts of the country as representing a philosophy on which there would be agreement.

As the Minister of Finance (Mr. Turner), speaking in his place in this House yesterday said, perhaps the greatest and most impressive effort at building a theoretically

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perfect structure of federal-provincial financial relations was the Rowell-Sirois Commission. In its report, just before the Second World War in 1940, it put forward three basic propositions, as the minister said. The first was that the federal government had an overriding financial role in the pursuit of national growth and stability. The second was that fair standards of public services and taxation in all regions of the country were vital to national unity. And the third was that co-ordination in tax policy between the central government and the provinces was essential in a modern industrial state.

Try as we may, Mr. Speaker, it is difficult to reconcile all of these. In the short period of time in which I have been a member of this House, a period which has been interrupted by decisions of the voters, Mr. Speaker, I have seen a remarkable change in the philosophies of Ministers of Finance. And without any question there will be changes in the future.

The Leader of the Opposition (Mr. Stanfield) said that the bill before us was something of a stand-pat arrangement, and in many ways I would have to admit that this is true. But what is abundantly clear is that there are no concrete alternatives being put before the House in terms either of direction or policy, and that in effect spokesmen for the opposition parties have endorsed the measure simply by their lack of offering alternatives.

The basic fact of our modern society is the desire for a wide range of services, educational, health, welfare and social security, which are costly and which have to be provided as an essential instrument of national unity. The chief spokesman for the NDP, the hon. member for Waterloo (Mr. Saltsman), had at least a bit of consistency in the way he was able to approach the argument. I might say that this consistency was probably due to a matter of detachment because it is not likely that he and his party will ever have the responsibility of implementing the policy he advocated.

In his detached and more logical approach to the matter, he indicated that the thrust of the central government was highly desirable. He supported the federal-provincial shared-cost programs in medicare and hospital insurance. He indicated that these programs represented a means of achieving national standards which we all recognize are desirable. He pointed out that the development of alternative measures of fiscal policy under previous governments, by which percentage points were given to provinces in return for their accepting the contributions which had been worked out in the original legislation, was something which he regretted. He went on to say that the problem of the development of uniform standards had to be faced. If necessary, he said, he would support measures by the federal government to operate directly such programs in the provinces where there was a threat, because of lack of fiscal resources in such areas, that the programs operated by them would fall below desirable standards.

This is a counsel of perfection, that the federal government should do all these things. But the fact of the matter is that there are strongly held constitutional views in many of the provinces of Canada, and not just restricted to the province of Quebec. The fact is that in many of these areas there is a firm conviction in the minds of those responsible for provincial administration that they can do