

Consider the question of inflation. When the premiers asked the Prime Minister to meet them in order to discuss the current inflationary spiral, what was the Prime Minister's initial reaction? Right off the top of his head he made an extremely rude retort which was reported by the media people and for which he has ever since bitten his tongue, I am sure. Eventually, after mature consideration, he agreed to the meeting. Yet, that is the type of spontaneous reaction one can expect from the Prime Minister in the field of dominion-provincial relations. It is totally wrong.

And what happened at the Victoria conference on constitutional reform? I was involved with that conference. Weeks of labour went into that conference. It looked like a success. Then one province alone scuttled it. It demanded certain social welfare rights which were vehemently, immediately and adamantly rejected by the government in Ottawa. It did this without thinking and, consequently, the Victoria conference on constitutional reform went by the board. The Prime Minister went into a huff and immediately dismantled most of the dominion-provincial consultative machinery existing in the federal government.

And what happened about those very demands made by the province which had scuttled the conference? Eventually, after thinking about them, the federal government agreed to every one of the demands made by that province. In the meantime the entire dominion-provincial consultative machinery in the federal government had been disbanded.

● (1550)

Why, when it has been demanded for years, has there not been long before now some federal, provincial and municipal co-operative effort in respect of, for example, capital issues and borrowing in this country? Although it has been demanded for years, there is none. Only the federal government can possibly take the initiative and give the leadership in many of these fields which would lead to a much smoother relationship and better working conditions for the common man in this very much over-governed country. There has to be improvement in many, many areas.

We in the official opposition look upon this bill with a measure of suspicion, and I think rightly so, but with a measure of approval as well. We are willing to let the approval side of our argument take control over the matter because there is so much to be done and there is such a sorry, shabby record on the part of the government in respect of dominion-provincial relations.

**Some hon. Members:** Hear, hear!

**Mr. David Orlikow (Winnipeg North):** Madam Speaker, as I understand the provisions of this bill, it will increase the number of senior civil servants now employed by the federal government by one. Our party is not among those who still believe that the best government is that government which does the least. We believe that governments have a responsibility and duty to do for the people of Canada that which they, as individuals, cannot do. Therefore, when discussing the important contribution which Mr. Gordon Robertson and Mr. Pitfield have made in the past, and will undoubtedly make in the future, we in this

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party are not prepared, before discussing the matter in committee, to say that we are opposed to the basic principle included in this bill. In committee we will, of course, want a good deal more information than we have at present.

I do not question the right of this or any government to appoint to a senior policy making position a person in whom it has confidence. We expect any government to do that, regardless of which party happens to be the government at the time the appointment is made.

Having said that, I must say that I listened with some skepticism to the argument of the Prime Minister (Mr. Trudeau) that this position is required because of the increasingly complex problems existing between the federal and provincial governments. The problems which the federal government must discuss with the provinces are indeed very important and very complex. They affect the lives of every citizen in Canada. This is so because we live in a federal state in which the jurisdictional responsibilities of the federal and provincial governments are not clearly defined.

A great deal of change has taken place over the years. Important changes will take place in the future. I am not convinced that the problems which arise between the federal government and the provinces are caused by insufficient technical or knowledgeable advice.

There is ample evidence that the Prime Minister, both in the Prime Minister's office and in the Privy Council, has had and will continue to have expert advice from knowledgeable technical advisers. The differences which have arisen and will continue to arise between the federal and provincial governments have been, and will continue to be, matters which cannot be solved at the technical level, although the technicians, bureaucrats and civil servants must provide the detailed information which is required to make decisions. They are differences which are of a political, social and economic nature. With our democratic system of government these will have to be solved by the federal and provincial political leaders.

I am not going to go over the whole range of differences which have existed in recent years. I will just mention two which come to mind. First is the price paid for wheat. The minister in charge of the wheat board has developed a policy which is opposed by two of the three major wheat producing provinces, Manitoba and Saskatchewan. There is no reason for me to discuss the correctness of the position of the federal and provincial governments on this issue at this time. I merely use this as an illustration to show that the differences are not of a technical but a political nature.

Similarly, but on a much larger scale, there is the question of taxation of the resource industry. I refer to the gas and oil industries as well as industries which extract those minerals of which this country has a large reserve, copper, iron, zinc and nickel. Here there are fundamental differences between the points of view of the federal and provincial governments. There is the question of the rate at which the companies extracting the minerals, oil and gas should be taxed. Second, who do the taxation revenues belong to, the federal or provincial governments?