

The Address—Mr. Bracken

confidence. This letter is dated October 16, 1946 and is from Mr. Angus Macdonald, Premier of Nova Scotia. It is addressed to the Prime Minister and reads as follows:

I, therefore, ask that the conference be reconvened and I should like to hope that you and your attending colleagues might find it possible to arrange for a meeting in, say, a month's time.

He then goes on to say:

Give to the provinces the assurance that it, the dominion government, is agreeable to the holding of a conference of representatives of the dominion and of the provinces at a fixed date every year for the discussion of dominion-provincial relations and problems. Such an arrangement was suggested by this province to the Rowell-Sirois commission in 1938, and was approved and recommended by that commission. The idea was then advanced by us at the dominion-provincial conference which assembled in January of this year. These views correspond with what you, yourself, said in opening a dominion-provincial conference in December, 1935.

Here is what Premier Manning of Alberta had to say with respect to the desirability of a further conference; the letter is dated October 8, 1946 and is addressed to the Prime Minister:

In the light of these circumstances and because of the paramount importance of working out new agreements generally satisfactory to all governments, I am making this personal appeal to you, as head of the government of Canada, to reconsider the present procedure and to make one more effort to arrive at a mutually acceptable arrangement by a further round table conference of your government and all the provinces.

I will not quote other requests because I do not want to take up the time of the house to refer to them.

Mr. ABBOTT: Which ones?

Mr. BRACKEN: I can quote them all if the minister wishes me to.

Mr. ABBOTT: I was wondering who the others were.

Mr. ROWE: You should know.

Mr. BRACKEN: With respect to the request of the provinces for the dominion to vacate these minor tax fields, I will not state my own views just now. I will call on some of the provincial premiers. I am not suggesting that they all agreed to it. Here is what Premier Manning had to say in a letter to the Minister of Finance (Mr. Abbott), dated January 13, 1947.

We do feel, however, that a similar undertaking should be given with respect to those other minor fields of taxation which come in this same category and which, while not of great import to the dominion from a revenue

[Mr. Bracken.]

standpoint, are of considerable importance to the provinces. Furthermore, by vacating these other minor tax fields the dominion would be taking a proper and practical step in keeping with its own announced desire to eliminate dual taxation.

Premier Macdonald of Nova Scotia has made a similar request and he has persisted in it from the beginning.

What have been the errors of the government in dealing with this matter? Without going into it exhaustively let me mention three or four: first, the rigidity of the government last spring during the April-May conference when they said that the offer of \$200 million was as far as they could go. The conference broke up and nothing more was done. I am of the view that if they had done some of the things they have done later the conference might have been saved. They did make more generous offers later on, to one province at a time. I will read one reference in connection with that, namely, what the Premier of Alberta had to say in the closing days of that conference:

Mr. Prime Minister and gentlemen, this is an occasion which obviously calls for plain speaking and a frank expression of our reaction to the address delivered this morning by the Minister of Finance. Mr. Ilsley's comprehensive address might have well been reduced to one simple word of two letters; no! For that reason his statement conveyed much more than just an unsatisfactory negative answer to the considered opinions expressed around this conference table by the provincial premiers. It conveyed an attitude of uncompromising rigidity on the part of the dominion government that is indefensible in the light of the circumstances as they are.

So far as the position of the government of Alberta is concerned, I think I stated our attitude quite clearly yesterday afternoon and I need not repeat it to-day. What I said yesterday afternoon and I need not repeat it to-day. What I said yesterday afternoon holds good to-day. In my opening remarks yesterday afternoon, I made this observation: "The success of this conference and of all that hinges thereon is hanging precariously in the balance." I need hardly say that that fact is even more obvious to-day and I am forced to say this after listening to the reply of the Minister of Finance to the submissions of the provincial premiers that, if this conference fails, and I sincerely hope that even yet it will not fail—but if this conference fails, the responsibility for its failure will rest squarely on the doorstep of the dominion government and will be due to the attitude of uncompromising rigidity expressed on behalf of the government by the Minister of Finance this morning.

That is what one of these provinces thought at that time. Apparently he was correct because since then the government has changed its position and made an offer which it now says is to cost it \$227 million. The former one would have cost it \$200 million.