

*British North America Act*

arrangements. It is now evident that it will take some further time to reach agreement on the methods of amendment of the constitution in Canada and it will therefore be necessary to proceed by way of an address to the Queen—

All the provinces of Canada with the exception of Quebec agreed. Mr. Lesage took the stand that unless we set out in detail what we proposed to do with this power he would not give his consent. We pressed him again in the fall of 1962 and we received the same answer. He advanced a proposition which constitutionally was untenable, namely that a province has the right to ask a federal parliament to give full details of whatever action it intends to take under amendments to be made to the British North America Act.

I will not go into that correspondence now. It is set out in detail in *Hansard*. It shows clearly that the only reason this legislation is not on the statute books today—portable pensions available under a contributory plan—is that this constitutional amendment was denied. The present government, however, when it first came to office, undertook that all these things were to be done in those 60 days of never to be forgotten indecision. They tried, they talked—and they ended up by withdrawing. Finally, there was a dominion-provincial meeting. Then the situation became abundantly clear when Mr. Lesage said: I will not accept the plan you have produced. This was the revised version—the second jump, which was the epitome of all the parliamentary advances in the field of social security. Mr. Lesage said: I will have nothing to do with it; it is not good; I have a better plan. And he proceeded to set out in detail the plan he had. Indeed, he went so far, I understand, as to prepare a bill. At the conference in Quebec no agreement was reached. The Prime Minister of Canada said: We will have to try to do something about it, but we stand firm on the plan enunciated by my colleague the minister of health and welfare. That is what the right hon. gentleman said in effect. Her plans today are forgotten; the schemes are things of the past—they have joined the limbo of forgotten things. Two weeks after that meeting in Quebec the government of Canada decided that they would give a carrot, a large carrot to the provinces. They promised new plans of sharing in taxation fields, plans that are going to greatly increase the income tax of Canadians because \$60 million will have to be raised this year and double that amount next year. Those are the things that happened. They brought out this new scheme; they said, "Here is the

money", which they had refused two weeks earlier. But they went further and they said to the premier of Quebec, which was the fact, that his plan was immeasurably better than the ill digested plans they had placed before the house.

On May 14 the Prime Minister (Mr. Pearson) wrote a letter to the premier of Quebec. He said:

I acknowledge your letter of April 29. I fully agree with you that the spirit which marked the recent arrangements between the federal government and the provinces must continue to inspire and characterize federal-provincial relations.

I am happy, in particular, that your government has decided to participate in the work of the joint committee on taxation...

I am also gratified by your approval of the pension plan which I outlined in its main aspects in my telegram of April 19. I intend to submit to parliament the proposed amendment to the constitution concerning supplementary benefits, as soon as it has been endorsed by the provinces.

Then he said this:

I have learned with pleasure that the preliminary meeting which the officials of our two governments held last week to make preparations for the negotiations which are to take place at the beginning of June on "contracting out", has been useful and fruitful.

Contracting out? What do the ministers surrounding the Prime Minister say about this? What about the Minister of Trade and Commerce (Mr. Sharp); what does he say about contracting out? I read from a speech which he delivered a few days before that particular date, when he said this, "some confusion on this point seems to have arisen as a result of the misbegotten phrase 'contracting out'". I do not know where the illegitimacy comes in, but certainly that misbegotten phrase was the one that was created by the Prime Minister to describe what was being done. It is a matter of great interest to look back over the years and to read what some of these people said when evidence was given before a joint committee of both houses, upon which occasion the chairman of the House of Commons representation was hon. Jean Lesage. That was in 1950. They met together and called various witnesses before them—and one of them was Mr. Mitchell Sharp.

**Some hon. Members:** Oh, oh.

**Mr. Diefenbaker:** He gave evidence which is reported at page 950 of the minutes of proceedings of the joint committee on old age security; this was for the financing of a plan of old age security for Canadians, and there was presented a brief prepared for the joint committee by the Department of