

accountants and I should like to suggest also an engineer, which committee would work in consultation with perhaps two or three members of the cabinet, to go over the estimates and advise the cabinet as a whole which expenditures can be dispensed with, where reductions can be made, which expenditures should be allowed or even increased. I suggest as another approach to the problem that a limitation on total expenditure should be set. We are now spending two billion dollars a year. It might be said, let us try to get along with one billion and a half. The budget committee might approach the problem from that starting point and then examine the proposed expenditures of the different departments and apply the axe where needed and make recommendations accordingly. Only if some such approach is made shall we make a substantial reduction in expenditure.

The other advantages which such a budget committee might have would be (1) to ascertain what expenditures are really necessary; (2) to eradicate duplication, waste and extravagance; (3) since there are so many competing requests for increased expenditures—for instance, the British Columbia members are all urging that the principle of P.F.R.A. be extended to that province, which would not necessarily mean an increase in capital expenditure because it could be put on a self-liquidating basis over a period of years—the budget committee could, where necessary, recommend expenditures that are not now provided for, but which would be more advantageous to Canada as revenue-producing projects than some which are now being made.

Finally, and most important, this budget committee could bring the cost of government down more into line with the ability of the Canadian people to pay and more in line with our present uncertain position in world trade.

The third subject on which I should like to touch briefly is the third clause in the amendment moved by the hon. member for Muskoka-Ontario (Mr. Macdonnell), that the budget proposals:

fail to provide for reconvening the dominion-provincial conference in order to complete satisfactory agreements with the provinces,

And so on.

It will be eighty years next July 1 since the Dominion of Canada was created. I should like to suggest, in passing, that the government give consideration to setting aside next Dominion day for a special commemoration, so that we might recall to our minds the spirit in which confederation was achieved.

This question of dominion-provincial relations is, I think, one of the most important which faces the country today, and certainly

[Mr. Fulton.]

the failure of the budget to advance any constructive solution of this problem is one aspect in which it is most open to criticism. The official opposition has urged, and many good Canadians both inside and outside the house have urged for some time now, that the conference be reconvened. But we recognize that there is a necessity for a new approach to the question if the conference is to get anywhere. A new approach is necessary to the question whether or not any readjustments of responsibilities as between the various governments should be made. It must be admitted that the conference broke up last year without any progress having been made on that head. But surely we should remember that between 1860 and 1867 there were similar disappointments and conferences broke up and had to be reconvened, but they kept at it in the spirit of give and take. Their approach was: We have to make an agreement in the interests of the general good of all. They realized that the general good of all could not be preserved or retained by denying the good of any of the components of confederation, and so they achieved a compromise between the general good of all and individual interests. I think, if we approach the matter in that spirit, we can undoubtedly achieve agreement, not only in regard to financial matters, but in regard to the other important questions of social security, public health and public investment.

I do not think it would be fair to try to apportion any blame for the break-down of the conference last May, but I earnestly suggest that the dominion government is open to severe censure for its attitude since and for its refusal to reconvene the conference. Had that attitude been maintained in the years between 1860 and 1867, there would have been no confederation. I suggest that the dominion government must find a new approach to this question, or we shall never get that re-confederation which all of us feel is so essential, including the provinces of Ontario and Quebec. I am going to suggest a new approach, I hope a reasonable constructive approach, to this question. There are three reasons why I feel this is necessary.

In the first place, it seems that the approach of the federal government as illustrated in its present attitude is unsound, because it insists upon making financial agreements before it is willing to discuss details of a general agreement on other matters. That surely is not the sound way to a solution of our difficulties. If you or I, Mr. Speaker, wanted to go to a trust company let us say, to arrange with it to administer our affairs we would not discuss financial arrangements first. We would agree