

DRAFT OF PREMIER SCHREYER'S REMARKS AT THE CONFERENCE OPENING.

THE FORMER GOVERNMENT OF THE PROVINCE OF MANITOBA SUBMITTED TO THE CONSTITUTIONAL CONFERENCE, IN A BOOKLET "WHAT TOMORROW, CANADA?", A NUMBER OF PROPOSITIONS AND RELATED COMMENTS CONCERNING THE FORM THAT CANADA'S FUTURE CONFEDERATION SHOULD TAKE. THE VIEWS OF THE PRESENT GOVERNMENT OF MANITOBA ON THIS MATTER DIFFER IN SOME RESPECTS FROM THOSE EXPRESSED AT THAT TIME. FOR THIS REASON THE BOOKLET SHOULD BE CONSIDERED TO HAVE BEEN SUPERCEDED AND YOU MAY ANTICIPATE THAT MANITOBA, IN THE VERY NEAR FUTURE, WILL PRODUCE FOR YOUR INFORMATION A COMPREHENSIVE DOCUMENT REPLACING IT.

THE BRITISH NORTH AMERICA ACT HAS, IN MANY WAYS, SERVED CANADA WELL OVER THE PAST ONE HUNDRED YEARS. THERE REMAINS WITHIN THE ACT MUCH UNTAPPED POTENTIAL WHICH CAN BE UTILIZED TO DEAL EFFECTIVELY WITH PROBLEMS CURRENTLY CONFRONTING OUR NATION. THE GOVERNMENT OF MANITOBA, THEREFORE, DISMISSES AS INVALID ANY CLAIM THAT INADEQUACIES WITHIN THE PRESENT CONSTITUTION POSE INSURMOUNTABLE OBSTACLES TO ACTION ON CONTEMPORARY CANADIAN PROBLEMS.

HOWEVER, THE GOVERNMENT OF MANITOBA IS WELL AWARE THAT THE PURPOSE OF THIS SERIES OF CONFERENCES IS TO CREATE A CONSTITUTION THAT WILL SERVE OUR NATION FOR THE NEXT HUNDRED YEARS AND BEYOND. LOOKING AT THE BRITISH NORTH AMERICA ACT IN THIS CONTEXT? THE FACT THAT THE ACT HAS BEEN MADE TO WORK, PARTICULARLY SINCE 1945, BY A SERIES OF AD HOC ARRANGEMENTS BECOMES LESS ACCEPTABLE. THE FACT THAT THE CONSTITUTIONAL STATUS OF OUR CITIES HAS NEVER BEEN SERIOUSLY EXAMINED, ALTHOUGH THEIR NATURE HAS BEEN DRASTICALLY ALTERED OVER THE PAST ONE



HUNDRED YEARS, BECOMES A CAUSE FOR CONCERN. SO, TOO, DOES THE FACT THAT SOME PROVINCES AND MANY, MANY INDIVIDUAL CANADIANS HAVE, TO SAY THE LEAST, SEVERE RESERVATIONS ABOUT THE CONTINUING ACCEPTABILITY OF THE ACT.

THUS, IN THE LIGHT OF THE NEXT HUNDRED YEARS, THERE CAN BE NO DOUBT THAT WE NEED A NEW CONSTITUTION. WE CANNOT ABANDON ATTEMPTS TO MAKE THE PRESENT CONSTITUTION WORK, WE CANNOT SHELVE CONSIDERATION OF, AND EFFORTS TO SOLVE, OUR PRESENT PROBLEMS, UNTIL WE HAVE A NEW CONSTITUTION. BUT WE MUST HAVE ONE AND THE GOVERNMENT OF MANITOBA WOULD LIKE TO SEE THE GLACIAL PROGRESS THAT IS BEING MADE TOWARD THAT END REPLACED BY DISCERNABLE FORWARD MOTION. TO THAT END I WISH TO PROPOSE TO THIS CONFERENCE THAT THE FIRST MINISTERS OF THE FEDERAL AND PROVINCIAL GOVERNMENTS SHOULD MEET TO DISCUSS CONSTITUTIONAL REVISION AT LEAST EVERY SIX MONTHS UNTIL THE TASK IS COMPLETED. IMPORTANT ROLES IN THE WORK OF THE CONSTITUTIONAL CONFERENCE CAN AND MUST BE PLAYED BY THE VARIOUS MINISTERIAL COMMITTEES AND BY THE CONTINUING COMMITTEE OF OFFICIALS, BUT MEANINGFUL NEGOTIATION CAN ONLY BE CONDUCTED BY HEADS OF GOVERNMENT. WE MUST RECOGNIZE THIS FACT AND ACT ACCORDINGLY.

BUT MORE MEETINGS ALONE WILL NOT ENSURE PROGRESS. THERE MUST BE A COMMITMENT BY ALL ADMINISTRATIONS INVOLVED TO DEVOTE ADEQUATE RESOURCES TO THE TASK. MINISTERS AND OFFICIALS OF THE GOVERNMENT OF MANITOBA WHO HAVE BEEN INVOLVED IN THE DISCUSSIONS PREPARING FOR THIS CONFERENCE, HAVE INFORMED ME THAT PART OF THE REASON FOR OUR SLOW PROGRESS IN THE TASK OF REVISING THE CONSTITUTION IS THE FACT THAT ONLY A MINORITY OF THE GOVERNMENTS INVOLVED HAVE ESTABLISHED ADEQUATE MACHINERY TO DEAL WITH THE NEGOTIATIONS. MANITOBA HAS BEEN CULPABLE IN THIS REGARD AND AT THIS MOMENT TAKING CORRECTIVE STEPS. I WOULD HOPE THAT BEFORE THE END OF THIS CONFERENCE ALL GOVERNMENTS INVOLVED WILL HAVE MADE SIMILAR UNDERTAKINGS.

THE GOVERNMENT OF MANITOBA IS CONCERNED TO GIVE REAL MEANING TO THE PHRASE "CULTURAL MOSAIC". WE ARE DEVELOPING POLICIES IN THIS REGARD. THEREFORE THE APPEARANCE OF THE FOURTH VOLUME OF THE REPORT OF THE ROYAL COMMISSION ON BILINGUALISM AND BICULTURALISM WHICH DEALS WITH CANADA'S CULTURAL MINORITIES IS EAGERLY AWAITED. AT THE SAME TIME WE RECOGNIZE THE CRITICAL IMPORTANCE OF OFFICIAL LANGUAGE RIGHTS: ACCEPT THE PRINCIPLES INHERENT IN THE OFFICIAL LANGUAGES LEGISLATION OF THE FEDERAL GOVERNMENT: WELCOME THE RECENT INITIATIVES TAKEN BY THE FEDERAL GOVERNMENT IN ITS EFFORTS TO PROMOTE INSTRUCTION IN BOTH OF THE TWO OFFICIAL LANGUAGES (ESPECIALLY AS THE INITIATIVE TOOK THE FORM OF A SHARED-COST PROGRAM); AND WE ARE PRESENTLY ENGAGED IN DEVISING PRACTICAL POLICY TO GIVE LIFE AND MEANING TO THESE PRINCIPLES AS THEY APPLY TO MANITOBA

THE MOST DIFFICULT MOST ESSENTIAL AND MOST EXACTING TASK FACING THIS CONFERENCE IS TO DECIDE UPON AN APPROPRIATE DIVISION OF POWERS BETWEEN THE FEDERAL AND PROVINCIAL GOVERNMENTS. MANITOBA WILL SHORTLY, IN THE DOCUMENT TO WHICH I EARLIER REFERRED, BE SUBMITTING COMPREHENSIVE AND, WE HOPE, IMAGINATIVE PROPOSALS IN THIS REGARD.

IN THE INTERIM I SIMPLY WISH TO MAKE THE FOLLOWING POINTS: TO INSIST THAT CONSTITUTIONAL ARRANGEMENTS WITHIN THE DIVISION OF POWERS MUST BE UNIFORM FOR ALL PROVINCES IS TO IGNORE EXAMPLES FROM THE PAST, AND TO ENDANGER CANADA'S CONTINUING FUTURE AS A NATION. IT IS TRUE THAT IN CERTAIN MATTERS THERE MUST BE UNIFORMITY IN THE RELATIONSHIP BETWEEN THE CENTRAL GOVERNMENT AND THE PROVINCES, BUT IN OTHERS THIS NEED NOT NECESSARILY BE THE CASE, AND TO INSIST THAT IT BE SO WOULD BE TO WEAKEN, RATHER THAN STRENGTHEN, THE FABRIC OF CONFEDERATION.

THE GOVERNMENT OF MANITOBA IS CONVINCED THAT THE GREAT BULK OF PROVINCIAL PARTICULARISMS CAN BE ACCOMMODATED IN A CONSTITUTION AND THAT CANADA, FAR FROM BEING WEAKER, WILL BE STRONGER IF THIS IS DONE.

THE SECOND PRINCIPLE WHICH MUST, IN THE OPINION OF THE GOVERNMENT OF MANITOBA, GOVERN THE ALLOCATION OF POWERS BETWEEN THE FEDERAL AND PROVINCIAL GOVERNMENTS IS THAT THE ALLOCATION OF RESPONSIBILITY AS BETWEEN THE FEDERAL AND PROVINCIAL GOVERNMENTS WOULD BE BEST ASSIGNED ON THE PRINCIPLE OF THE MOST EFFECTIVE DELIVERY OF SERVICES TO THE PEOPLE, AND NOT ON THE BASIS OF THE FISCAL OR ECONOMIC CAPACITY OF GOVERNMENTS TO SUPPORT THE COST OF THOSE SERVICES. FUNCTIONAL CAPACITY AND FISCAL CAPACITY ARE NOT THE SAME. THIS STAND OBVIOUSLY AND INTENTIONALLY IMPLIES MANITOBA'S BELIEF IN THE CONTINUATION OF EQUALIZATION PAYMENTS AND A FORM OF SHARED-COST PROGRAMS.

WITH REGARD TO SHARED-COST PROGRAMS AND TAX-SHARING, LET US BE VERY CANDID. THE GOVERNMENT OF MANITOBA BELIEVES THAT IT IS ESSENTIAL THAT THE FEDERAL GOVERNMENT, AND NOT THE PROVINCES CONTROL THE MAJOR TAX FIELDS. ONLY THE FEDERAL GOVERNMENT CAN EFFECTIVELY EMPLOY TAXATION FOR THE CRUCIAL FUNCTIONS OF STABILIZING THE ECONOMY AND REDISTRIBUTING THE WEALTH OF THE NATION AMONG INCOME GROUPS AND AMONG THE PROVINCES. OBVIOUSLY FEDERAL CONTROL OF THE MAJOR TAX FIELDS IS TO MANITOBA'S PARTICULAR ADVANTAGE. BUT IT IS ALSO TO THE IMMEDIATE FISCAL ADVANTAGE OF AT LEAST SIX OTHER PROVINCES AT THIS TABLE, AND CERTAINLY IT IS TO THE ADVANTAGE OF ALL PROVINCES IF ONE ACCEPTS THAT IT IS IN THEIR ENLIGHTENED SELF-INTEREST TO PRESERVE THE UNITY OF THIS NATION AND TO ESTABLISH SOME GREATER DEGREE OF EQUALITY OF CONDITION BETWEEN THE VARIOUS REGIONS OF CANADA.

BUT FEDERAL CONTROL OF MAJOR TAX FIELDS IS OF ADVANTAGE ONLY TO THE DEGREE TO WHICH OTTAWA THEN APPLIES ITS CONTROL ON BEHALF OF THE CITIZENS IN ALL REGIONS. IF OTTAWA MAXIMIZES ITS OWN INCOME WHILE REDUCING THE PROVINCIAL REVENUE POTENTIAL, YET AT THE SAME TIME REDUCES ITS COMMITMENTS IN SUPPORT OF PROVINCIAL DEVELOPMENT, THEN REGIONAL IMBALANCE CAN ONLY BE INCREASED AND EQUITY FOR CITIZENS BECOMES EVEN A MORE ELUSIVE GOAL. IF OTTAWA MOVES ON ITS OWN EITHER TO BEGIN OR END PROGRAM SUPPORT, IT WILL BE WORKING TO THE DISADVANTAGE OF THE UNITY OF THE NATION AND THE REGIONAL DEVELOPMENT WHICH SUPPORTS THAT UNITY.

LET US TAKE THE PRESENT DAY EXAMPLE. IN MANITOBA WE HAVE BEEN OBSERVING WITH GROWING CONCERN THE FEDERAL PLANS FOR WITHDRAWING FROM SOME OF THE MOST IMPORTANT AND EXPENSIVE OF OUR SHARED-COST PROGRAMS. IT IS TRUE THAT FROM TIME TO TIME FISCAL SUBSTITUTES WHICH NO ONE IS TOO CERTAIN WILL BE TRUE COST EQUIVALENTS ARE BEING PROPOSED FOR SOME PROGRAMS. IN SOME CASES THE FEDERAL WITHDRAWAL IS OUTRIGHT WITH NO COMPENSATION. URBAN RENEWAL IS A STARTLING EXAMPLE.

WE ARE UNCERTAIN AS TO THE SIGNIFICANCE OF THE ARRANGEMENTS THAT MAY BE DEVELOPED BY OTTAWA FOR THE TERMINATION OF THE POST-SECONDARY AND VOCATIONAL ASSISTANCE PROGRAMS WHICH BY LAW RUN OUT IN 1971-72. WITHOUT LABOURING THE POINT, OR MAKING THE LIST LONGER THAN IS NECESSARY, WE ARE OBSERVING YEAR BY YEAR THE PHASING OUT OF THE HEALTH GRANTS AND THE MODIFICATIONS IN THE HEALTH RESOURCES FUND ARRANGEMENTS. IT IS QUITE CLEAR THAT PRESSURE IS BEING EXERTED ON THE PROVINCES TO CHANGE THE BASIS FOR OUR PRESENT SHARING OF THE EXPENSIVE AND FAST GROWING HOSPITALIZATION COSTS. AT THE SAME TIME, THE FEDERAL GOVERNMENT IS THREATENING TO PHASE OUT ITS PARTICIPATION IN MEDICARE, AT LEAST IN ITS PRESENT FORM, WITHIN THE NEXT FEW YEARS.

THESE CHANGES HAVE IMPORTANT DIRECT FINANCIAL IMPLICATIONS FOR US. IT IS MEANINGLESS TO OFFER MANITOBA, OR MANY OTHER PROVINCES, FISCAL POINTS IN RETURN FOR WITHDRAWAL BECAUSE OUR TAX BASE IS TOO NARROW, THE NATURAL INCREASE IN REVENUES TOO SLOW, TO KEEP PACE WITH THE ESCALATING COSTS OF THE PROGRAMS ABANDONNED BY THE FEDERAL GOVERNMENT.

ABOVE ALL, SUCH DISENGAGEMENT BY OTTAWA FROM CONSULTATION AND DIRECT PARTNERSHIP WITH THE PROVINCES THROUGH SHARED-COST PROGRAMS, CAN ONLY LEAD TO THE FRAGMENTATION OF THE NATION; IT WILL LEAD TO INEQUITIES AND INEFFICIENCIES IN PROGRAMS ACROSS THE NATION; IT WILL CONFRONT ALL BUT THE WEALTHIEST PROVINCES WITH THE UNACCEPTABLE PROSPECT OF REDUCING THE STANDARDS OF THE SERVICES PROVIDED TO THEIR PEOPLE.

WE ARE WELL AWARE THAT THERE HAVE BEEN DIFFICULTIES WITH SHARED-COST PROGRAMS BUT TO ABANDON THE CONCEPT FOR THAT REASON IS SHORT-SIGHTED IN THE EXTREME. WE ARE SURE THAT ACCEPTABLE ALTERNATIVES CAN BE DEvised. INDEED, AT AN APPROPRIATE PLACE ON THE AGENDA, THE GOVERNMENT OF MANITOBA INTENDS TO PROPOSE SOME ALTERNATIVES SUCH AS THE SUGGESTION THAT NATIONAL GOALS CAN BE INTEGRATED WITH PROVINCIAL GOALS IN THE INTEREST OF THE COUNTRY AT LARGE IF FEDERAL LEGISLATION ESTABLISHING SHARED-COST PROGRAMS PROVIDES THE PROVINCES WITH A CHOICE AMONG SEVERAL PROGRAMS. I REFER TO THE USE OF PRIORITY OPTION GRANTS WHEREBY BOTH PARLIAMENT AND PROVINCIAL LEGISLATURES CAN MEET FULLY THEIR RESPONSIBILITIES TO THEIR CITIZENS, WHILE AVOIDING FEDERAL DICTATION ON THE ONE HAND OR PROVINCIAL PROGRAM DEFICIENCIES ON THE OTHER.

IN SUMMARY, MR. CHAIRMAN, I LOOK FORWARD TO JOINING WITH YOU AND OUR OTHER COLLEAGUES IN DEVISING A CANADIAN CONSTITUTION WHICH WILL BE SUITABLE FOR THE NEEDS OF OUR COUNTRY IN ITS SECOND CENTURY. AS WE DEVOTE OURSELVES TO THIS TASK, IT IS MY URGENT PLEA THAT WE AT THE SAME TIME PURSUE THE PARALLEL GOAL OF REMEDYING THE HIGHLY DISTURBING FISCAL SITUATION IN WHICH MOST, IF NOT ALL, THE PROVINCES FIND THEMSELVES AS THE RESULT OF OCCUPYING POSITIONS OF GROWING RESPONSIBILITY IN FIELDS OF GROWING EXPENDITURES.