

ECONOMIC UNION IN THE CANADIAN FEDERATION:

A POSITIVE APPROACH

Statement by

The Honourable Roy Romanow

on behalf of

The Government of Saskatchewan

Continuing Committee of Ministers of the Constitution

July 23, 1980

Last week I stated, with some vigour, our opposition to the Government of Canada's proposed amendments on powers over the economy. I proposed that they be set aside. Mr. Chretien and some other ministers did not agree. We have made little progress since toward a resolution of this issue.

We are, I think it's fair to say, at an impasse.

My conviction that the Canadian government's proposal is not the appropriate way to protect the economic union in a federal state remains unshaken. As I said last week, it would place unacceptable limitations on the capacity of a province to pursue its legitimate role in managing the provincial economy. And it would add to those limitations the uncertainty of placing in the hands of the courts critical economic decisions.

All that I have said before.

But I have also said, in my role as co-chairman, that I believe we have reached a critical point in our deliberations -- that the course ahead will be very rocky indeed if we don't achieve some movement this week.

In the interests of arriving at an accommodation, we need to take the initiative -- to make a major move.

Mr. Chretien has said that what he wants is a commitment to economic union in Canada. We are prepared to give him that commitment -- and to enshrine it in the constitution.

I now table a draft of a possible constitutional provision which Saskatchewan can support. With it I table a background paper.

The spirit of our proposal is, we feel, grounded in the reality of the federal state which is Canada. It does not depend on the negative instrument of constitutional prohibitions. It depends rather on the positive, co-operative commitment of responsible governments, each sovereign in certain areas -- each with a contribution to make to our

economic union. It depends on the time-tested success of the Canadian experience: co-operative federalism and enlightened self-interest.

Our proposal, as you will see from the draft, is brief and direct. It would entrench in the Constitution a clear commitment on the part of all governments to maintain and perfect the Canadian economic union. The commitment extends to an on-going review and assessment of the performance of the union and a resolution of problems.

I would note that the approach we have taken here closely parallels the approach taken with respect to the equalization issue. That proposal has won wide acceptance around this table.

I hope this proposal will also win acceptance. Mr. Chretien has said he is not wedded to his specific proposals and has called for alternative suggestions. We are responding. We believe this proposed compromise meets his adamant demand for including a commitment to economic union. We believe it also goes some distance toward meeting the concerns of many provincial governments -- including ours -- that the implications of the Government of Canada proposal are unacceptable.

With this step I ask that the Government of Canada now remove its insistence that powers over the

economy be linked to the issue of resources. I also ask for a serious commitment by the federal government to return to the "best efforts" draft on resources. We are committed to Canada, as I believe are the vast majority of Canadians, in every province and territory. Let us as governments get on with the job of demonstrating that commitment.