



DISTRIBUTION OF POWERS

STATEMENT BY

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To THE

FEDERAL-PROVINCIAL CONFERENCE OF FIRST MINISTERS
ON THE CONSTITUTION

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THE DISTRIBUTION OF POWERS OR, MORE ACCURATELY THE DISTRIBUTION OF LEGISLATIVE AUTHORITY - WHICH GOVERNMENT DOES WHAT JOB - IS THE HEART OF ANY FEDERAL CONSTITUTION. AS SUCH, ITS CLARITY OR LACK OF CLARITY, AFFECTS A CO-OPERATIVE ATMOSPHERE IN THE COUNTRY. THAT IS WHY AN ASSESSMENT OF THIS SUBJECT IS SO IMPORTANT IN THE PRESENT DISCUSSION.

I AM INCLINED TO THINK THAT A LIMITED NUMBER OF SELECTED BUT SIGNIFICANT ADJUSTMENTS TO THE DISTRIBUTION OF POWERS WOULD GET AT THE ROOT OF MANY OF OUR PROBLEMS, AND WOULD IMPROVE THE FUNCTIONING OF OUR FEDERATION BY REDUCING A NUMBER OF PERSISTENT FRICTIONS. A RESOLUTION OF OUR PROBLEMS WITH THE PRESENT ARRANGEMENT OF FEDERAL AND PROVINCIAL POWERS SHOULD BE A MATTER OF PRIORITY IN OUR EXAMINATION OF THE CONSTITUTION.

I. WHAT ARE THE PROBLEMS?

I. HOW POWERS ARE APPLIED

HOW LEGISLATIVE POWERS ARE USED AFFECTS US ALL. I BELIEVE THAT THE SOURCE OF TOO MANY UNNECESSARY TENSIONS IN CANADA HAS BEEN THE UNFORTUNATE APPLICATION OF LEGISLATIVE AUTHORITY. THE EFFECT HAS BEEN FOR ONE ORDER OF GOVERNMENT TO ENCROACH ON MATTERS OF CONCERN TO THE OTHER WITHOUT ADEQUATE DISCUSSION OR SUFFICIENT CONSIDERATION OF THE CONSEQUENCES.

I WANT TO DESCRIBE HOW THIS HAS OCCURRED FIRST BY THE FEDERAL GOVERNMENT AND THEN BY PROVINCIAL GOVERNMENTS.

(A) FEDERAL USE

USED WISELY AND IN CONSULTATION WITH THE OTHER GOVERNMENTS AFFECTED, FEDERAL GENERAL POWERS SUCH AS THE SPENDING POWER MIGHT HAVE BEEN POSITIVE INSTRUMENTS OF FEDERALISM. USED IN THE MANNER THEY HAVE TOO OFTEN BEEN, THEY HAVE BEEN DESTRUCTIVE OF GOOD RELATIONS.

MEDICARE AND THE LOCAL INITIATIVE PROGRAM ARE BUT TWO EXAMPLES OF HOW THE SPENDING POWER OF PARLIAMENT HAS BEEN USED OVER THE PAST DECADE TO INFLUENCE AND, AT TIMES, TO DISTORT PROVINCIAL PRIORITIES.

THE MORE PRUDENT USE OF THIS POWER IN THESE AND A NUMBER OF OTHER INSTANCES, NO MATTER WHAT THE SHORT-TERM EXPEDIENTS MAY HAVE BEEN, WOULD INDEED HAVE SPARED US MANY PROBLEMS, AND I AM TEMPTED TO SUGGEST MAY NOT HAVE BROUGHT US TO THIS KIND OF DISCUSSION. IT IS MORE IN SORROW THAN IN ANGER TO DESCRIBE EVENTS THAT REALLY MIGHT HAVE BEEN HANDLED DIFFERENTLY TO THE BENEFIT OF ALL CANADA.

IT SEEMS TO ME THAT A PROCESS OR FORMULA FOR CONCILIATION SHOULD BE DEVELOPED TO PROVIDE OUR FEDERAL SYSTEM WITH A CONSTRUCTIVE METHOD OF REACHING A MUTUALLY ACCEPTABLE AGREEMENT ON THE USE OF THE SPENDING POWER. IT COULD APPLY AS WELL TO OTHER FEDERAL GENERAL POWERS SUCH AS THE POWER TO DECLARE A MATTER TO BE TO THE GENERAL ADVANTAGE OF CANADA, AND THE EMERGENCY POWER.

I DO NOT THINK THAT IT IS RIGHT, AND I KNOW IT IS NOT HEALTHY, FOR OUR COUNTRY THAT ONE GOVERNMENT CAN INITIATE AND PROCEED WITH SHARED-COST SCHEMES OR OTHER PROGRAMS OR INITIATIVES UNLESS A MAJORITY OF GOVERNMENTS HAVE SIGNIFIED THEIR APPROVAL TO SUCH PLANS. FEDERALISM IS A NECESSARY FEATURE OF OUR NATIONAL EXISTENCE, AND WE VALUE ITS MAINTENANCE TOO MUCH TO MAKE A MOCKERY OF IT.

PRIME MINISTER, I KNOW THE EASY ARGUMENTS AGAINST WHAT I HAVE JUST SAID SO LET IT BE PLAINLY UNDERSTOOD THAT I AM NOT ARGUING THE CASE FOR MORE POWERS FOR YOU OR MORE POWERS FOR ME. I AM ARGUING THE CASE FOR FEDERALISM.

I AM NOT INTERESTED IN PREVENTING GOVERNMENTS FROM GOVERNING. NOR AM I INTERESTED IN UNREALISTIC RESTRICTIONS ON OUR CAPACITY TO ACT NATIONALLY. NOR AM I INTERESTED IN STOPPING GOVERNMENTS WHO WISH SOME FEDERAL ASSISTANCE FROM OBTAINING IT FOR AND BY THEMSELVES.

I AM, HOWEVER, DEEPLY INTERESTED THAT IN THIS REGARD WE FIND A MORE POSITIVE PATH THAN THE ONE WE HAVE BEEN ON. WE HAVE, BY MANY INSUFFICIENTLY THOUGHT OUT ACTIONS, SOWN SEEDS OF REAL DISCORD IN THIS COUNTRY, AND THAT SHOULD CEASE. THEREFORE, I AM TRYING TO FIND A HELPFUL WAY TO RESOLVE THIS PROBLEM -- IN OTHER WORDS, A BETTER TECHNIQUE FOR DETERMINING THE DELICATE BALANCE WHICH MUST ALWAYS BE PRESERVED BETWEEN NATIONAL AND LOCAL NEEDS. WE NEARLY AGREED ON A FORMULA FOR THE SPENDING POWER IN 1969, AND I ASSUME, THEREFORE, THAT IT IS NOT BEYOND OUR CAPACITY TO REACH AN AGREEMENT ON THIS AND THE OTHER FEDERAL GENERAL POWERS NOW.

PROVINCIAL GOVERNMENTS SHOULD BE PREPARED TO AVOID LEGISLATION AND REGULATION WHICH DOES HARM TO OTHER PROVINCES OR TO CANADIANS LIVING IN OTHER PROVINCES. A WILLINGNESS TO CONSULT CAREFULLY WITH OTHER PROVINCES IN ADVANCE WOULD BE A STARTING POINT. WE SHOULD TRY HARDER TO WORK OUT OUR DIFFERENCES. WHEN, IN THOSE HOPEFULLY FEW CASES WHERE SERIOUS NEGOTIATIONS FAIL, AND AS A LAST RESORT, I THINK THAT PROVINCES SHOULD BE GIVEN THE RIGHT TO REFER SUCH MATTERS TO THE SUPREME COURT OF CANADA, A RIGHT WHICH THE FEDERAL GOVERNMENT HAS ALWAYS HAD.

I CITE BOTH FEDERAL AND PROVINCIAL ABUSES IN THIS REGARD WITHOUT MALICE AND WITHOUT ANY INTENTION TO POINT FINGERS OR TO BLAME. ALL I AM SAYING IS THAT ALL THESE ACTIONS UNDERMINE THE COUNTRY AND THEREFORE IT IS TIME TO CORRECT THE PROBLEM.

2. GREY AREAS

ANOTHER ISSUE INVOLVES THE SO-CALLED GREY AREAS OF LEGISLATIVE AUTHORITY. THESE ARE MATTERS NOW BEING LEGISLATED ON BY ONE LEVEL OF GOVERNMENT OR THE OTHER, AND SOMETIMES BY BOTH LEVELS, WHICH IN MOST CASES WERE NOT KNOWN AND THEREFORE WERE NOT DEFINED AND NOT ASSIGNED IN THE ORIGINAL DISTRIBUTION OF POWERS. COURTS HAVE DONE SO, IN THE ABSENCE OF POLITICAL ACCOMMODATIONS, BUT THAT IS SURELY NOT THE BEST WAY TO MAKE DECISIONS IN A DEMOCRATIC COUNTRY.

IT MAY BE THAT THE PROCEDURE FOR APPROVING AMENDMENTS TO THE CONSTITUTION, A PROCEDURE WHICH WE ALL SEEK AND WHICH WE MUST HAVE BEFORE OUR CONSTITUTION CAN BE AMENDED ENTIRELY WITHIN CANADA, COULD BE THE PROCEDURE WE CHOOSE TO USE FOR BETTERING FEDERAL-PROVINCIAL RELATIONS IN THIS AREA BY DEVISING CONCILIATORY MECHANISMS ON THESE GENERAL POWERS. I AM NOT WEDDED TO ONE DEVICE OR ANOTHER. WHAT IS IMPORTANT IS THAT WE SHOULD LOOK AT THE MERITS OF EACH, AND CHOOSE.

(B) PROVINCIAL USE

THIS WHOLE QUESTION OF THE MORE SENSITIVE USE OF POWER IS, AS I HAVE INDICATED, A TWO-WAY STREET. PROVINCES HAVE SOMETIMES USED THEIR POWERS IN SUCH A WAY AS TO HAVE SERIOUS EFFECTS ON OTHER PARTS OF THE COUNTRY. EXAMPLES ARE THE CREATION OF INTERNAL ECONOMIC BARRIERS BY PREFERENTIAL PURCHASING POLICIES, BY PARTICULAR TREATMENT OF NATURAL RESOURCES, AND BY RESTRICTING CANADIANS FROM OWNING PROPERTY OR WORKING WITHIN A PROVINCE.

LET ME MENTION A FEW EXAMPLES OUT OF MANY
POSSIBILITIES.

THE PROTECTION OF CONSUMERS IS AN AREA IN
WHICH FEDERAL AND PROVINCIAL GOVERNMENTS HAVE BECOME
INVOLVED. DO BOTH NEED TO BE? IF NOT, WHICH
GOVERNMENT SHOULD BE RESPONSIBLE?

THE PROTECTION OF OUR ENVIRONMENT,
RESPONSIBILITY AND AUTHORITY FOR LEGISLATING PROTECTION,
IS UNCLEAR. IT IS PROBABLY AN AREA IN WHICH BOTH
GOVERNMENTS SHOULD BE INVOLVED, BUT THE VARIOUS ASPECTS
OF IT SHOULD BE DEFINED AND ASSIGNED TO ONE LEVEL OR
ANOTHER AS APPROPRIATE.

IS HOUSING A MATTER OF NATIONAL OR LOCAL
CONCERN?

SHOULDN'T AUTHORITY OVER TRANSPORTATION BE
MORE ADEQUATELY AND SENSIBLY DETERMINED?

IF THESE ARE MATTERS WHICH SHOULD BE SPLIT
IN THEIR ASSIGNMENT OR MADE CONCURRENT TO USE THE
CONSTITUTIONAL TERM, HOW SHOULD THIS BE DONE IN A
PRACTICAL WAY?

AS FAR AS IS HUMANLY POSSIBLE, AND TO MINIMIZE FRICTIONS AMONG US, SUCH GREY AREAS SHOULD BE REMOVED BY IDENTIFICATION AND ASSIGNMENT IN THE CONSTITUTION - EITHER EXCLUSIVELY OR ON A CLEARLY AGREED UPON JOINT BASIS. IN A COMPLEX WORLD, WATERTIGHT COMPARTMENTS ARE NOT POSSIBLE. HOWEVER, CLEARER ARRANGEMENTS CONTAINING FEWER POSSIBILITIES FOR CONFUSION AND MISUNDERSTANDING ARE POSSIBLE, AND INDEED DESIRABLE.

3. ENTANGLEMENT AND DUPLICATION

A THIRD PROBLEM HAS BEEN CAUSED BY THE INCREASING ENTANGLEMENT OF FEDERAL AND PROVINCIAL RESPONSIBILITIES. THIS ENTANGLEMENT HAS CAUSED DUPLICATION AND WASTE IN GOVERNMENT SERVICES AND CONFUSION OVER WHO IS RESPONSIBLE FOR WHAT. I SHALL NOT GO INTO DETAIL NOW ON THIS SUBJECT BECAUSE IT APPEARS ON OUR AGENDA AS A SEPARATE ITEM AND WE SHALL HAVE AN OPPORTUNITY FOR DISCUSSION LATER. BUT I MENTION IT NOW BECAUSE ENTANGLEMENT AND DUPLICATION ARE, IN PART, PRODUCTS OF AN UNSATISFACTORY DISTRIBUTION OF LEGISLATIVE AUTHORITY.

II. HOW TO DEAL WITH THE PROBLEMS?

I HAVE MENTIONED SOME OF THE PROBLEMS WE FACE, SOME OF THE CHANGES WE MUST CONSIDER. BEFORE PROPOSING SOME SPECIFIC RECOMMENDATIONS, HOWEVER, I WANT TO TOUCH ON SOME RELATED MATTERS WHICH, IN MY OPINION, SHOULD BE UNDERSTOOD AT THE OUTSET OF OUR TALKS IN THIS AREA. THEY ARE MATTERS AFFECTING THE STYLE OF OUR DISCUSSIONS, THE CONTENT OF OUR IDEAS, AND THE SPIRIT IN WHICH WE SHOULD APPROACH AMENDMENTS TO THE DISTRIBUTION OF POWERS.

A KEY ELEMENT OF FEDERALISM, AND PARTICULARLY CANADIAN FEDERALISM, IS THE REQUIREMENT OF ALL ITS GOVERNMENTS TO BE PREPARED TO GIVE AND TAKE, TO NEGOTIATE OPENLY, AND NOT TO MAKE UNREALISTIC DEMANDS. WE ARE TALKING ABOUT MAKING IMPROVEMENTS FOR THE BENEFIT OF OUR COUNTRY, SO I WOULD HOPE WE DO SO IN AN IMPARTIAL AND FLEXIBLE WAY REMEMBERING THAT WE HAVE BOTH NATIONAL AND LOCAL DIMENSIONS TO THINK ABOUT AS WE PONDER SPECIFIC PROPOSALS -- AND THEIR CONSEQUENCES. WE ARE TRYING TO CHANGE THE SPIRIT OF THIS COUNTRY, NOT DESTROY ITS SUBSTANCE.

I DO NOT HONESTLY BELIEVE, FOR EXAMPLE, THAT HUGE SHIFTS OF LEGISLATIVE AUTHORITY FROM ONE LEVEL TO ANOTHER IS AN ANSWER TO OUR PROBLEMS NOR CAN I SEE MUCH PROGRESS BEING MADE IF COMPLETE CONTROL OVER A PARTICULAR AREA IS DEMANDED WITHOUT VERY SPECIFIC EVIDENCE OFFERED AS TO THE RESULTS OF SUCH AN ACTION.

THERE ARE SOME, BUT PROBABLY NOT MANY, ISSUES TODAY WHICH CAN BE DEALT WITH IN SUCH A WAY AS TO NOT AFFECT OTHERS LIVING BEYOND OUR NATIONAL OR INTERNATIONAL BOUNDARIES. NEITHER THE FEDERAL GOVERNMENT NOR ANY SINGLE PROVINCE OR GROUP OF PROVINCES CAN REASONABLY EXPECT TO ACT WITHOUT CONSULTING OTHERS.

REALISM, OR, IN OTHER WORDS, A COMPLETE UNDERSTANDING OF OUR ENTIRE GOVERNMENTAL PROCESS, IS IN ORDER. SO I WISH TO EMPHASIZE OUR DESIRE THAT WE BE FLEXIBLE, THAT WE BE SENSITIVE TO THE POSITION OF OTHERS, AND THAT WE BE REALISTIC IN OUR REQUIREMENTS OF EACH OTHER. ENORMOUS SHIFTS OF AUTHORITY FROM ONE LEVEL TO ANOTHER, DEMANDED INFLEXIBLY, IS BOTH INSENSITIVE AND UNREALISTIC. IT WON'T WORK BECAUSE IT NOT ONLY WON'T MEET OUR PROBLEMS, BUT IT IS LIKELY TO CREATE EVEN BIGGER ONES.

OUR PROPOSALS MUST HAVE THE STAMP OF COMMON SENSE. IF THAT IS NOT THEIR HALLMARK, THEIR DEFICIENCIES AND INADEQUACIES WILL BE QUICKLY EXPOSED BY PEOPLE WHO MAY UNDERSTAND VERY LITTLE ABOUT CONSTITUTIONS, BUT WHO, GRATEFULLY, HAVE AN AWESOME AND ACUTE SENSE OF WHAT COULD CAUSE THEM FURTHER PROBLEMS.

ONTARIO THINKS THAT SOME CHANGES IN THIS VITAL AREA OF THE DISTRIBUTION OF POWERS ARE OVERDUE. BUT WE WANT CHANGES WHICH ARE SIGNIFICANT, WHICH IMPROVE ON WHAT WE HAVE, AND ABOVE ALL, WHICH DEMONSTRABLY WORK TO THE BENEFIT OF ALL THE PEOPLE OF THIS COUNTRY.

THUS, ANY ADJUSTMENTS IN THIS AREA MUST BE MADE WITH A SHARP EYE AS TO WHAT WILL WORK. MOREOVER, NONE MUST BE UNDERTAKEN IF THEIR ACTUAL RESULT IS TO HOBBLE CANADA AS A NATION, AND BY CANADA I MEAN MORE THAN JUST THE FEDERAL GOVERNMENT. ANY COUNTRY REQUIRES STRONG LEADERSHIP AND DIRECTION - ALBEIT WITH A GREAT DEAL MORE AGREED AND UNDERSTOOD PURPOSE AND MUCH MORE SENSITIVITY TO THE REQUIREMENTS OF ALL PARTS OF CANADA THAN HAS BEEN DEMONSTRATED IN RECENT TIMES.

IN CONSIDERING ADJUSTMENTS IN LEGISLATIVE RESPONSIBILITIES I THINK THAT WE ALSO HAVE TO KEEP IN MIND THE GREAT DIFFERENCES IN SIZE, NEEDS, CAPACITY AND DESIRES WHICH EXIST AMONG THE PROVINCES AND ARE JUST AS PROFOUND AS THE CULTURAL DIFFERENCES BETWEEN QUEBEC AND THE OTHERS. WHILE THE DISTRIBUTION OF POWERS ITSELF SHOULD BE UNIFORM IN ITS APPLICATION TO EACH PROVINCE, WE SHOULD ENSURE THAT WE INCORPORATE INTO IT TECHNIQUES TO PROVIDE FOR ITS FLEXIBLE OPERATION.

IN THIS REGARD, I AM THINKING OF THE DIFFERENTIATED ADMINISTRATIVE ARRANGEMENTS WORKED OUT BETWEEN THE FEDERAL GOVERNMENT AND THE PROVINCES WITH REGARD TO PROVINCIAL INVOLVEMENT UNDER THE IMMIGRATION ACT. SOME PROVINCES WANT THAT INVOLVEMENT. SOME DON'T. SO BE IT IN THIS AREA SO LONG AS THE FREE MOVEMENT OF PEOPLE IN CANADA IS MAINTAINED.

SOME EXTENSION OF THE PRESENT LIST OF CONCURRENT POWERS IS ANOTHER POSSIBILITY OF ACHIEVING GREATER FLEXIBILITY. SUCH AN EXTENSION WITH PARAMOUNTCY ASSIGNED, SEEMS TO ME TO BE ONE REASONABLE AND PRACTICABLE APPROACH WE SHOULD EXAMINE.

FINALLY, IN PURSUIT OF GREATER FLEXIBILITY, I BELIEVE THAT WE SHOULD DISCUSS WHAT MAY BE THE POTENTIALLY PROMISING POSSIBILITY OF DELEGATING LEGISLATIVE AUTHORITY FROM ONE LEVEL TO ANOTHER.

WITH THESE OBSERVATIONS IN MIND, I WANT TO TURN TO SOME OF ONTARIO'S SPECIFIC IDEAS ON THE DISTRIBUTION OF POWERS THAT WE THINK SHOULD BE INVESTIGATED. THEY ARE IN ADDITION TO THE REVIEW OF PARLIAMENT'S GENERAL POWERS I HAVE EARLIER MENTIONED, AND I WOULD EMPHASIZE THEY ARE BY WAY OF ILLUSTRATION ONLY. OTHERS WILL NO DOUBT PUT FORWARD BY OTHER FIRST MINISTERS. WE SHOULD THEN AGREE ON WHAT WE WANT TO DO AND DECIDE WHICH SPECIFICS DESERVE OUR ATTENTION FIRST.

III. PROPOSALS

1. AN ECONOMIC UNION

AMONG OUR TOP PRIORITIES, I HOPE THAT WE WOULD INCLUDE THE NEED TO PROVIDE FOR THE FREER MOVEMENT OF GOODS SERVICES, CAPITAL AND PEOPLE THROUGHOUT THE FEDERATION. OTHERWISE, WHAT IS THE MEANING OF LIVING IN ONE COUNTRY?

I WOULD LIKE TO SEE STRONGER CONSTITUTIONAL GUARANTEES OF OUR ECONOMIC UNION.

WE SHOULD TAKE A HARD, SECOND LOOK AT WHETHER WE CAN CONTINUE TO TOLERATE THE INDIRECT ECONOMIC BARRIERS THAT EACH PROVINCE, IN ITS OWN WAY, HAS ESTABLISHED. EACH IN ITS OWN TERMS MAY HAVE VALID REASONS FOR TAKING THESE STEPS, BUT THE TOTAL EFFECT INCREASINGLY IS TO CAUSE HARM TO THE WHOLE COUNTRY. IF WE ALLOW THIS KIND OF DEVELOPMENT TO GO MUCH FURTHER, I FEAR THAT WE SHALL SERIOUSLY WEAKEN OUR SENSE OF NATIONHOOD.

IN REVIEWING THIS SITUATION, ONE OF THE ISSUES THAT SHOULD BE EXPLORED IS WHY QUALIFIED RESIDENTS OF ONE PROVINCE ARE PREVENTED FROM SEEKING APPROPRIATE EMPLOYMENT IN ANOTHER PROVINCE. IS IT NOT REASONABLE THAT PROFESSIONAL, TRADE AND EDUCATIONAL QUALIFICATIONS SHOULD BE ACCEPTABLE ANYWHERE IN THE COUNTRY? SHOULD NOT SKILLED TRADESMEN AND CRAFTSMEN, TEACHERS, ENGINEERS, LAWYERS, DOCTORS, DENTISTS AND NURSES BE ABLE TO USE THEIR SKILLS IN EVERY PROVINCE?

2. REGIONAL ECONOMIC DEVELOPMENT

JUST AS STRENGTHENING THE BONDS OF OUR ECONOMIC UNION SHOULD BE AMONG OUR TOP PRIORITIES, SO ALSO SHOULD THE NEED TO SHARE THE ECONOMIC BENEFITS OF CONFEDERATION MORE EVENLY ACROSS CANADA. I AM SURE THAT WE ARE ALL COMMITTED TO ENSURING THAT THE ECONOMICALLY LESS FORTUNATE REGIONS OF CANADA, OR ANY REGION OF THE COUNTRY IN ECONOMIC DIFFICULTY, BE GIVEN THE ASSISTANCE OF THOSE REGIONS OR PROVINCES WHICH ARE ECONOMICALLY STRONGER.

IT IS A PRINCIPLE OF CONFEDERATION THAT THE "HAVE NOT" REGIONS ARE HELPED BY THE "HAVE" PARTS OF OUR NATION. WHAT WE MUST CONSIDER IS HOW THIS PRINCIPLE CAN BEST BE REFLECTED IN OUR CONSTITUTION. ONE OBVIOUS WAY IS TO PROVIDE IN THE CONSTITUTION A REQUIREMENT THAT THE FEDERAL GOVERNMENT, THROUGH PARLIAMENT, MAKE EQUALIZATION GRANTS TO THOSE PROVINCES WHOSE ECONOMIES FALL BELOW A CERTAIN NATIONAL STANDARD.

IT SHOULD ALSO BE RECOGNIZED THAT JUST AS BOTH ORDERS OF GOVERNMENT MUST WORK TOGETHER TO DEVELOP NATIONAL ECONOMIC POLICIES, THE SAME SPIRIT OF COOPERATION MUST EXIST TO DEVELOP REGIONAL ECONOMIC POLICIES. IF IN THE FIRST CASE, IT IS FEDERAL LEADERSHIP THAT WE SHOULD LOOK TO, IN THE SECOND, IT IS THE PROVINCES THAT SHOULD UNDERTAKE THE LEAD ROLE.

WE SHOULD UNDERSTAND THAT REGIONAL ECONOMIC DEVELOPMENT IS NOT JUST A MATTER OF TRANSFERRING MONEY FROM RICH PROVINCES TO POOR PROVINCES, BUT A RESPONSIBILITY FOR MAKING SOUND ECONOMIC DECISIONS WHICH MIGHT EVENTUALLY ELIMINATE THE NEED FOR SUCH PAYMENTS.

3. FISCAL AND ECONOMIC MANAGEMENT

PARLIAMENT HAS BEEN PROVIDED WITH SUBSTANTIAL POWERS TO GUIDE THE ECONOMY: DIRECT AND INDIRECT TAXING POWERS, CONTROL OF THE MONETARY SYSTEM, CONTROL OF INTERPROVINCIAL AND INTERNATIONAL TRADE AND COMMERCE, AND CONTROL OVER THE BANKING SYSTEM ARE SOME OF THE OBVIOUS EXAMPLES OF FEDERAL POWER IN THIS REGARD.

WHILE THESE POWERS HAVE TOO OFTEN BEEN EXERCISED WITH INSUFFICIENT SENSITIVITY TO THEIR EFFECTS ON DIFFERENT REGIONS OF THE COUNTRY, IT DOES NOT FOLLOW THAT PARLIAMENT'S POWERS IN THIS REGARD SHOULD BE WEAKENED.

ONLY THE FEDERAL GOVERNMENT CAN PROVIDE THE POLICIES FOR THE COUNTRY TO REDUCE UNEMPLOYMENT, CONTROL INFLATION, PREVENT STAGNATION, AND ENCOURAGE GROWTH. WE MAY NEED BETTER MECHANISMS FOR PROVINCIAL INPUT INTO FEDERAL POLICIES, BUT IN THE END, THE COUNTRY IS HIGHLY DEPENDENT ON FEDERAL LEADERSHIP AND INITIATIVE. IN REVIEWING THIS MATTER, I WOULD THINK THAT WE MIGHT WANT TO ENSURE THAT ANY CONSTITUTIONAL REVISIONS WILL CONTRIBUTE TO MAKING THE FEDERAL ROLE MORE EFFECTIVE.

4. NATURAL RESOURCES

IN THE LAST FEW YEARS, A NUMBER OF SITUATIONS HAVE ARISEN IN WHICH FEDERAL ACTIONS AND JUDICIAL DECISIONS HAVE CALLED INTO QUESTION THE EXTENT OF A PROVINCE'S POWERS TO CONTROL AND REGULATE ITS NATURAL RESOURCES. FOR SOME PROVINCES, THIS ASPECT OF THE DISTRIBUTION OF POWERS HAS BECOME THE MOST DIVISIVE IN THE CONSTITUTION.

THUS, IT IS A MATTER THAT DESERVES OUR FURTHER CONSIDERATION. IT IS PARTICULARLY IMPORTANT THAT WE MORE CLEARLY DEFINE THE LIMITS BETWEEN A PROVINCE'S POWERS OVER NATURAL RESOURCES AND SUCH FEDERAL POWERS AS TRADE AND COMMERCE AND TAXATION. FOR EXAMPLE, THROUGH EQUITABLE TAXATION ARRANGEMENTS, THE BENEFITS TO CANADA OF OUR NATURAL RESOURCE RICHES CAN BE MADE AVAILABLE TO ALL REGIONS OF THE COUNTRY NO MATTER WHAT THEIR RESOURCE ENDOWMENT. THERE ARE TWO LEGITIMATE INTERESTS AT PLAY HERE, AND IT IS OUR ROLE TO ENSURE THAT THE CONSTITUTION EXPRESSES THE BALANCE BETWEEN THEM THAT IS APPROPRIATE.

5. COMMUNICATIONS

LIKE TRANSPORTATION, COMMUNICATIONS IS A SUBJECT WHICH APPEARS BY ITS VERY NATURE TO SPAN PROVINCIAL BOUNDARIES. BUT THIS APPEARANCE IS DECEIVING, AND IT DOES NOT FOLLOW THAT ALL ASPECTS OF IT SHOULD BE EXCLUSIVE FEDERAL CONCERN.

IN OUR VIEW, THIS IS AN AREA WHERE THERE IS ROOM FOR BOTH ORDERS OF GOVERNMENT TO BE INVOLVED, PARTICULARLY WITH REGARD TO CABLE SYSTEMS. THE CHALLENGE TO US HERE IS TO DEFINE THE RESPECTIVE RESPONSIBILITIES OF EACH ORDER IN SUCH A WAY AS TO ENSURE THAT EACH HAS A DISTINCT ROLE TO PLAY AND THAT THE POSSIBILITIES OF ENTANGLEMENT OR DUPLICATION ARE ABSOLUTELY MINIMIZED.

6. CULTURE

THE LAST SPECIFIC AREA THAT I WANT TO MENTION IS THAT OF CULTURE. IT IS AN AREA THAT IS NOT MENTIONED IN OUR CURRENT CONSTITUTION, BUT ONE IN WHICH BOTH ORDERS OF GOVERNMENT HAVE BECOME ACTIVE.

ONCE AGAIN THE ISSUE IS NOT WHETHER ONE GOVERNMENT OR OTHER SHOULD HAVE EXCLUSIVE JURISDICTION, BUT OF DEFINING THE AREA IN SUCH A WAY THAT EACH WILL HAVE THEIR OWN PARTICULAR SPHERES OF RESPONSIBILITY.

IV. CONCLUSION

FINALLY, I WANT TO STRESS THAT IT IS IMPORTANT THAT WE AGREE AT THIS CONFERENCE ON A LIST OF SUBJECTS WE ARE GOING TO DISCUSS. I HAVE MENTIONED THOSE SUBJECTS OF CONCERN TO ONTARIO AND SOME IDEAS I HOPE WE SERIOUSLY CONSIDER, AND I LOOK FORWARD TO THE IDEAS OF OTHERS.

I CLOSE BY REPEATING THE MAIN POINT OF MY REMARKS UNDER THE SUBJECT OF THE DISTRIBUTION OF POWERS. IT IS OBVIOUSLY A CENTRAL PART OF OUR CONSTITUTIONAL CONCERNS. WE MUST DEAL WITH IT IN A SPIRIT OF REALISM AND SENSITIVITY. WE CAN MAKE SIGNIFICANT ADJUSTMENTS, BUT WE WANT TO EMERGE FROM OUR DISCUSSIONS IN THE KNOWLEDGE THAT WE HAVE PROVIDED FOR A MORE EFFECTIVE GOVERNMENTAL SYSTEM WITH EACH LEVEL EQUIPPED WITH LEGISLATIVE POWERS, AND THE REVENUES NECESSARY TO DISCHARGE THEM. ONLY IN THIS WAY CAN BOTH FUNCTION RESPONSIVELY IN THE INTEREST OF ALL CANADIANS.