

Income Tax—Deduction of Quebec Tax

Mr. Breton: First, is it not true that the province of Quebec is opposed to the federal-provincial agreements because she is against the idea of federal subsidies to the provinces?

Mr. Balcer: It is true, when the subsidies are not related to education and other matters dear to the heart of the French Canadian.

Mr. Breton: Could you answer yes or no to this question: Is it not true that Quebec is opposed to the idea of federal subsidies?

Mr. Balcer: I have already answered you.

An hon. Member: Answer, answer.

Mr. Balcer: I do not have to take any orders from the hon. member. I have answered and if he is at all intelligent he will understand what I said.

Mr. Breton: Is it not true, hon. colleague from Three Rivers, that a deduction from the federal income tax would amount to a federal subsidy to the province of Quebec?

Mr. Balcer: It is a pleasure for me to answer the hon. member from Joliette that he may call this deductibility what he likes. If the federal government grants it, we will be perfectly satisfied.

Mr. Fernand Girard (Lapointe): Mr. Speaker, it is possibly a very good thing, for the sake of this fiscal question, that it happens to be broached more particularly by independent members. We cannot be accused, in this instance, of acting for political advantage—

Mr. Dupuis: Independent or Conservative?

Mr. Girard: I am very happy to see that the hon. member for St. Mary apparently wishes to speak very often since, on the other side of the house, everybody seems to remain silent. He will no doubt be happy to speak after I have finished my speech.

Our independence is such that it has prevented us from occupying positions of eminence. The government to which we have given our support on a number of occasions must listen to us attentively and objectively.

Our opinion has not been conjured out of political theory. We have found it in the light of the letter and spirit of confederation which must be the bible of every representative of the Canadian people.

Mr. Speaker, I believe this preamble to be necessary to any discussion of fiscal problems.

Therein lies perhaps the fate of the province of Quebec. It depends upon the reply of the federal government to the province, which has just repossessed its rights in the field of direct taxation; and history will pronounce a severe judgment on those who will stoop to the point of placing political considerations over and above the provisions of the B.N.A. Act.

[Mr. Balcer.]

Subsection 2 of section 92 of the B.N.A. Act grants to the provinces direct taxation rights within their geographical boundaries, in order that they may levy funds for provincial purposes.

Quebec has refused to sign the fiscal agreement and it has repossessed the rights which belong to it; it is now up to the federal government to deduct in full this provincial tax, for it has no right to punish Quebec for having wished to safeguard its autonomy.

I do not wish to emphasize the soundness of the provincial tax and the priority right of the provinces to levy such a tax. My colleagues have done so with convincing logic. My intention is to show that the federal government itself has never had any real doubt about the rights of the province and that all the measures it has taken to monopolize the powers of direct taxation do not derive their force from the letter or spirit of the confederation pact. They aimed rather at luring the provinces by holding out certain advantages in order to gain that consent which eventually would have put us before the *fait accompli*. That was a clever process, for everyone knows that for most political institutions precedent is as good as law.

Not being able to claim as of right the exclusive use of the income tax, the federal government tried to transform a temporary situation into a permanent one. Each time it has offered subsidies for provincial purposes, the federal government has unquestionably exceeded its jurisdiction and proved that it was but an usurper of provincial rights. In offering to the provinces an annual subsidy, it not only proved its unconstitutional interference but showed that it is less interested in revenue than in centralization itself, for it has offered much more than what the province asks in a constitutional way.

In the eyes of members from outside Quebec, the attitude of our province may seem somewhat isolationist. To us, autonomy is a guarantee of survival and the provincial tax is the consecration of that principle. May I be permitted to quote, in this connection, an excerpt from the brief submitted to the Tremblay commission by the University of Montreal. In my estimation, it gives the fundamental reasons of two concepts, the concept of Quebec and the concept of the other provinces:

Our English-speaking compatriots are often astonished at the importance which we give to constitutional problems, for they believe that one must think, first and foremost, of that which is immediately possible. There is evidently in all this a question of heredity, of a deep measure of atavism. The Anglo-Saxon constitution is in great part unwritten; the common law is evolved day by day through the judges' decisions; the Anglo-Saxon refuses to accept dictatorial rules . . . his ideal is,