

Interim Supply

hon. gentleman and his friends changed around. They produced \$87 million. They did not produce that sum until they decided they would add an extra 25 per cent to the share of the provinces in succession taxes. If they had not done that, Ontario would have got nothing. So they said: we shall have to give them something. So they came up with this proposal at the last moment—a 25 per cent addition to the 50 per cent of succession duties already provided for.

I do not intend to re-read the distribution, as a result of the action taken by the government, in the various provinces. But had the Prime Minister carried out the promise he made, the distribution which would have been in effect when the agreements are entered upon would have been far different and the smaller provinces would have received a greater share of the \$87 million. But it had to be changed. A moment ago the Prime Minister said \$87 million did not mean very much.

I intend to give the figures to show what we did during our period of office in this field of dominion-provincial relations. To begin with we increased the 10 per cent share of personal income tax and corporation taxes to 13 per cent. We were not obliged to do that, for the agreement would have been in effect for five years more. We made available to the Atlantic provinces \$25 million in grants. Again, we were not obliged to do that. The agreements were still in effect, but we desired to give the maritime provinces a reasonable equalization opportunity. After all the promises which have been made during the last few months about how significant this conference was going to be, \$87 million is the final amount. Let me compare it with what we did during our period of office in assisting the provinces to carry out their responsibilities. In 1956-57, the total amount of unconditional grants was \$552.6 million. The total amount of conditional grants was \$111 million. The total amount of payments for the benefit of provincial institutions, university grants and grants to municipalities in lieu of taxes on federal property was \$25.7 million, or a grand total of \$689,300,000. But I am not going to take 1956-57 as the actual figures, because there were changes made in the spring of 1957, as I recall. In 1957-58 the total amount for unconditional grants was \$658.4 million, the total amount for conditional grants was \$144.8 million, the total amount for payments for the benefit of provincial institutions was \$34.1 million, or a grand total of \$837.3 million.

In the following year the over-all total was \$1,037.9 million. In the next year, 1959-60, the total was \$1,264.2 million. The 1960-61 forecast was \$1,326 million and for 1961-

62 the estimate was \$1,460 million. In other words, not taking into consideration the lower figures of 1956-57, during our period in office from 1957 to 1962 we increased the amount of unconditional grants to the provinces, conditional grants and payments for the benefit of provincial institutions by \$623 million. That is one of the reasons why we had a deficit during that period of time. If it had not been for our granting extra assistance to the provinces and the extra payments we made throughout the entire period of time we would not have had a deficit except in one year. There was an increase, as I say, of almost \$700 million over 1956-57. Compare that with what is being done here. There were great hopes, great expectations; but all we have is the distribution of a total amount, including the increase in the share of succession duties, of \$87 million.

I am not going to place on the record what the amounts of the increases in the various provinces were that we brought about during our period in office, when we recognized for the first time in this country the necessity of the provinces being placed in a position where they could properly carry out and discharge their responsibilities within the constitution of Canada. I should like to know what actually took place that resulted in the failure in November to carry out the undertakings of April. What promises have been made as to what will be done next March? Certainly all that came out of this conference was the recognition by the government that no longer can it arbitrarily trample on the rights of the provinces, but must consult with them. That is all to the good. That is what we have been trying to teach this government since the session began. They have learned the lesson now. They learned it in connection with the municipal grants. They learned it in connection with the pension plan. They have learned it now in other fields.

Turning to the communique; if there ever was a document conceived with a desire to gloss over the shortcomings of the conference it is this. The communique reads:

The governments of Canada and of the ten provinces of Canada met in Ottawa—

I am leaving out the surplus words.

Their discussions were marked by a common recognition that the extent and the diversity of Canada create unusual problems in the discharge of the increasing responsibilities of government for the general benefit of all Canadians.

They did not need to meet for that. Everybody knew that.

There was a warm mutual recognition of the differing problems faced by each province and by the federal government.

The conference in this spirit agreed that government in Canada must be a co-operative federalism