

was being collected by the dominion government from the taxpayers of Canada and offered to the nine different provinces. Apparently the situation is this. Three provinces have approved this fiscal arrangement and no doubt Prince Edward Island and British Columbia are agreeable to accepting it. Alberta and Nova Scotia, having been offered approximately twice as much as they got under the wartime suspension agreements, no doubt will accept, with protests about certain things which I intend to refer to a little later but which perhaps I should mention now.

They are not satisfied with respect to the character of this temporary arrangement. They regard it as being very temporary; no doubt the government will say it is temporary, though it is meant to become permanent. They are not satisfied at no further conferences being held. They are not satisfied because there is no provision for continuing these conferences. While it is a five-year agreement they are looking to the time to come when the dominion and provinces can have a relationship that will make a sound foundation for this nation. They do not feel that in its detail this agreement offers that. They feel that the minor taxes should be left to the provinces alone in order to avoid double taxation. The major taxes, such as income tax, corporation tax and succession duties, the dominion desires, but some of the provinces seek to avoid double taxation in the minor taxes and they ask that the provinces have these to themselves.

As far as Ontario and Quebec are concerned I have not seen any report that they have accepted. Somebody said there was some reference in the paper this morning, but I have not seen it. Apparently they want a conference and they too want continuing discussions to try to get this to be a more perfect instrument of constitutional and fiscal reform. They too want these minor taxes left to the provinces. They say to the dominion, "If you take a tax in which we share, a tax which has given as much as \$1,500 million a year, surely you can let the provinces have the minor taxes which give perhaps one-thirtieth of that amount."

As far as I can gather what the provinces are concerned chiefly about is the fact that there will be no fiscal stability later on. I have not heard anyone in any of the provinces express opposition to the amount the provinces were getting in money, but they do fear that this thing is tending in the direction of too great centralization and a too great loss of provincial autonomy.

As I said, there appears to be an agreement in three directions. There is agreement on the

principle of fiscal need. That is a considerable gain from six years ago when I stood here and pleaded for it in another conference being held in this chamber.

Second, there is I think agreement on the so-called renting of personal income and corporation income taxes.

Under our constitution the dominion can go into the direct taxation field, and so can the provinces. The dominion wanted the provinces to stay out of some and they said, "If you stay out we will pay you a rent for staying out." The government called it "rental." Let us not be misled by the term "rent". What it is is just a taxation measure by which the dominion is going to tax the Canadian people and pay the provinces \$227 million for the sole right to these taxes. That is what it is. I say that in order to help make the position clear.

Third, there is agreement on the necessity for a social security and public investment programme. I do not say that every province has agreed to every detail of that, on the extent of it, on the timing of it, but as to the desirability of some programme such as that I have not heard any disagreement.

What do some of the provinces which have not signed want? Some of them want another conference called. Some of them want continuing conferences to try to improve the plan for the time when it will come to an end. Some of them want the dominion to get out of the minor tax fields and they want them to stay out. I think all of them want to feel that they will have fiscal stability when they are through with it. They are afraid, if they are tied to definite amounts, that their obligations later on cannot be met by them. They recall that when confederation was formed the provinces got eighty cents a head for giving up their rights to indirect taxes. That amounted to about \$1 million a year, and somebody then said that that was such a huge sum that they could not conceive of the provinces ever needing any more. Now the provinces are spending four hundred times that amount, and some of the provinces feel that a fixed amount will tie them and limit them and cramp them, not today or tomorrow but some time in the future.

Is there any merit in this request for another conference? I will not use my own argument. I am sure that everyone in this house would like to see unanimity. Certainly I should like to see another attempt made to reach it. I will quote others with respect to the desirability of a further conference and some of these quotations will be from men in whom I am sure hon. gentlemen opposite have every