

considered as between the various provinces of Canada. I maintain that the Atlantic provinces in particular—and indeed all the provinces—should try to agree on a general course and come to Ottawa with a fixed opinion, and have the support of all four provinces in relation thereto.

When the Government changed in 1957 a change was made to the tax base of 1958 of which I approve, and I would like to give credit to the Government for that change. The change from the 10-9-50 base to that of 13-9-50, I think it was, was a good move, and again I commend the Government for it. It will be noted that the amounts of money that were paid to the provinces under the tax agreement increased considerably.

I also agree that the progressively increasing amounts from 15 or 16 per cent up to 20 per cent is a good idea, but I regret to say that we have got away from the one source of collecting income. Here let me say frankly that I am not one of those people who stand very firmly on the matter of provincial autonomy. I believe that the collecting can be done economically by a central body better than it can be by a great many bodies, without relinquishing the fundamental rights which belong to the provinces. I do not relish the words used by the honourable Leader of the Government (Hon. Mr. Aseltine) when he said "relinquish the tax field". I do not think we can say we relinquished the tax fields—we rented that tax field to the federal Government; we still have that tax field and as far as I am concerned we will always have it. I believe that agreements can be made whereby income tax can be levied uniformly in all provinces across Canada. I think we are getting away to a bad start, because from what the Leader of the Government (Hon. Mr. Aseltine) said in explanation of this bill, Canada may have ten different income tax rates in the next year.

Hon. Mr. Macdonald (Brantford): That is right.

Hon. Mr. Taylor (Westmorland): Some of the provinces may feel it necessary to levy more than the 16 per cent. In this respect I say this is a backward move.

Now a good deal has been said about a statement made by the Premier of New Brunswick. I must confess that I am not sure of the basis upon which he arrives at these figures, and for this reason, I am not sure what is meant by gross natural resources revenues, on which I would like to be enlightened. Is it the gross natural resources income or is it the net income from natural resources? From the figures given by the Premier of my province—and I want it made abundantly clear that I am not being critical

of the amounts of money being paid to other Atlantic provinces—the fact remains that under this new tax agreement, as a result of some change, we in New Brunswick are going to get an increase of \$1.25 per capita in the first year of the agreement.

Hon. Mr. Brunt: Or \$2 million.

Hon. Mr. Taylor (Westmorland): No. It is \$2 million over what we are getting this year. But that is a misunderstanding. The misunderstanding, as I see it, is that in the first year of the application of this agreement, the increase is only about \$600,000 more than under the present tax agreement as applied to the incoming year.

Hon. Mr. Brunt: I cannot see that.

Hon. Mr. Taylor (Westmorland): It is right in your own figures. Turn to page 7927 of House of Commons *Hansard*, and you will see there the amounts that the various provinces will be paid.

Hon. Mr. Connolly (Ottawa West): What is the date of that *Hansard*?

Hon. Mr. Taylor (Westmorland): July 11, page 7927.

The amount that New Brunswick will get in 1962-63 under the proposed agreement will be \$36,265,000. Under the present formula projected into next year the amount would be \$35,762,000, or a difference of \$503,000—not \$2 million, as is generally understood.

Hon. Mr. Brunt: I said \$2 million more than you got under the present agreement last year.

Hon. Mr. Taylor (Westmorland): Right. But if the proposed agreement is applied next year we in New Brunswick will get only \$503,000 more than we would receive under the present agreement.

Hon. Mr. Aseltine: Why is that not an advantage?

Hon. Mr. Taylor (Westmorland): It is an advantage, and I am not objecting to it. I am, however, giving these figures to indicate that there is some discrimination, in my opinion, when Newfoundland will be paid \$2,200,000 more, if their payment is projected on the same basis; Prince Edward Island, with a population of 100,000, will get \$1 million more; Nova Scotia will get \$2 million more; New Brunswick will get, according to the figures given in the projection that the Minister of Finance placed on the House of Commons *Hansard*, about \$503,000. That makes me ask if the natural resources revenue is based on gross rather than on net income.

In New Brunswick the only income we collect from natural resources is from Crown lands—stumpage dues, licence fees and the like—but in some years we pay out more than that amount in protecting these resources.