

**Mr. Knowles (Winnipeg North Centre):** The hon. member has been wound up for years.

**Mr. Blenkarn:** Mr. Speaker, I thank hon. members for their courtesy in allowing me more time. I was suggesting that if the authorities had kept track properly of the actions of the revolutionaries in this country prior to 1970, there would have been no need for the War Measures Act to be invoked. Evidence would have been available for charging certain persons with sedition, treason and other offences. There would have been no need to put the whole country under house arrest, so to speak, inasmuch as people could be picked up without being charged and held in jail. That situation could have been avoided if the government had known what was going on and, probably, Mr. Laporte would not have been murdered.

I have suggested what the government should do. It should be aware of the activities of revolutionaries in this country. In other words, our nation must be prepared. I recommend to this House the boy scout motto: Be Prepared. If we are prepared we will not encounter the problems we encountered in the past, problems which other nations have encountered and are encountering today.

● (1240)

**Mr. Speaker:** Is the House ready for the question?

**Some hon. Members:** Question.

**Mr. Speaker:** The question is on motion No. 22. Is the pleasure of the House to adopt the said motion?

**Some hon. Members:** Agreed.

**Some hon. Members:** No.

**Mr. Speaker:** All those in favour will please say yea.

**Some hon. Members:** Yea.

**Mr. Speaker:** All those opposed will please say nay.

**Some hon. Members:** Nay.

**Mr. Speaker:** Obviously, the nays have it.

*And more than five members having risen:*

**Mr. Speaker:** Pursuant to Section 11 of Standing Order 75, the recorded division on the proposed motion will stand deferred. According to the order made on Thursday, November 29, 1973, the ulterior proceedings at the report stage of Bill C-176 stand deferred until Tuesday next.

**Mr. Lambert (Edmonton West):** Mr. Speaker, on a point of order; following consultation it was agreed that rather than send Bill C-233 to the Standing Committee on Finance, Trade and Economic Affairs after second reading, the bill would be considered in committee of the whole. We will follow that procedure and hopefully deal with the bill today. I would be quite prepared to move that as an amendment. However, the Chair may feel that being a government motion, this should be done by a minister of the Crown. In any event, everyone has been consulted and this is agreed.

*Federal-Provincial Fiscal Arrangements Act*

**Mr. Knowles (Winnipeg North Centre):** Yes, Mr. Speaker. There have been such consultations and we agree to the change being made in whatever way Your Honour sees fit.

**Mr. Speaker:** The simplest way would be to put the motion as suggested, with the unanimous consent of the House.

**Some hon. Members:** Agreed.

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**FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS ACT**

**AMENDMENTS RESPECTING EQUALIZATION FORMULA, ELIGIBILITY FOR PAYMENT, POST-SECONDARY EDUCATION**

**Hon. John N. Turner (Minister of Finance)** moved that Bill C-233, to amend the Federal-Provincial Fiscal Arrangements Act, 1972, the Federal-Provincial Fiscal Revision Act, 1964 and the Income Tax Act be read the second time and referred to the committee of the whole.

He said: Mr. Speaker, that is not bad for a Friday morning. The purpose of the bill now before the House is to amend the Federal-Provincial Fiscal Arrangements Act, 1972, and to effect amendments to the Federal-Provincial Revision Act 1964 and the Income Tax Act. It is intended to further improve and update certain fiscal arrangements with the provinces and particularly our system of equalization grants. As hon. members will know, our system now enjoys an international reputation for its effectiveness in dealing with fiscal problems in a federal state. I am hopeful this bill will improve that even further.

I might briefly summarize the content of the bill before commenting in detail on its provisions. If Your Honour will allow me some liberty with the rules, without going into a clause-by-clause analysis, I might make some comments at this stage which might save time in committee of the whole.

Four changes are embodied in the amendments. The first broadens the equalization formula to include, in the revenue to be equalized, local government taxes raised for school purposes. The second extends the existing arrangements for federal financing of post-secondary education for an additional three years. The third reduces from five years to one year the period of ineligibility, for revenue guarantee payments, of any province which failed to adopt the converted tax rates specified in the present legislation when it was enacted last year. The fourth change is simply a technical adjustment. It extends the abatement of three points of federal income tax in Quebec, associated with the Youth Allowance Act, which has been part of the Quebec income tax structure for the past decade. I will deal with each amendment in turn.

[*Translation*]

Hon. members are no doubt familiar with our system of equalization grants. This program provides for a payment of unconditional grants to those provinces which are below average in their capacity to raise revenues. Payments compensate a province in full for any shortfall in