

*Finance*

and which normally belongs to the provinces will be turned over to them. I heard the previous speaker refer to provincial governments which have nationalized electricity; he said that, as a result, electricity was cheaper. Well we have positive proof to the contrary.

In the province of Quebec—and I believe the saying that to administer a state enterprise always costs twice as much as to administer a private enterprise is true—since electricity was nationalized, apart from the loss of revenue from all taxes yielded by power companies, in some areas, electricity is much more expensive than when it belonged to private companies.

After experiencing nationalization—Quebec will probably not retrace its steps—we are convinced that it will always be more expensive, and cost twice as much, to administer a state-controlled enterprise.

As for the transfer of taxes mentioned in this bill, the field involved is not very extensive; mention is made of electrical energy, gas and steam. The province of Quebec is only concerned with gas. We would have been much more interested in the transfer of the paper companies' income tax, for instance, or of the taxes collected from the numerous mining companies operating in the province of Quebec. The ideal—and the minister would have been much commended for it—would have been a bill designed to turn over to the province of Quebec 100 per cent of the taxes collected during all those taxation months.

We were generous enough 20 years ago to surrender those rights to the federal government and we are looking forward to the day when the federal government will consider the advisability and the need to hand over what it borrowed 20 years ago—those taxation rights in fields belonging to the provinces. The effect would be, first of all, to remove the double taxation now existing in Quebec; to eliminate also duplicate administration, because the federal government is taxing in a provincial area, collecting money to pay over to the provinces later on, as if the provinces did not know enough to tax themselves.

Under this bill, the minister undertakes to hand over to the provinces a part, a small part of the tax to which they are rightfully entitled under the constitution. We ask that a bill be introduced to return all their rights to the provinces. Let the federal government act with logic and loyalty. The provinces only

[Mr. Gauthier.]

loaned those tax fields with the definite intention of recovering them immediately after the war.

The provinces have kept their word but the federal government took the opportunity to defraud the provinces, to keep what had been a temporary loan and which has never been returned since.

Once and for all, let the decision be taken and I assure you, Mr. Speaker, that many disputes and clashes would be eliminated in the province of Quebec if it were possible to return the three fields of taxation which the province of Quebec is asking for, which it has loaned 20 years ago and has been asking back for 20 years in order to manage its own business and stop begging from the federal government. Furthermore, it is no longer justified since the federal government is collecting the provinces own taxes only to pay back a third or 40 per cent. Naturally, we are for the bill, even though it is only a fraction of what the province of Quebec is laying claim to. I hope that shortly the Minister of Finance will introduce the bill we are all looking forward to, all of us citizens of Quebec, and every French Canadian in that province will not only feel grateful, but will deem the minister to be a great man.

[English]

**Mr. T. S. Barnett (Comox-Alberni):** Mr. Speaker, I have no intention of continuing the discussion at any length but I should like to indicate my full agreement with the remarks just made by the hon. member for Nanaimo-Cowichan-The Islands (Mr. Cameron). Like him, I think this is a thoroughly bad piece of legislation in principle and, as he pointed out, in my view it has consequences which could seriously affect the proper functioning of the national economy and the proper exercise of its management, which in our view should be in the hands of the Minister of Finance for Canada. Under those circumstances this house should reject this legislation out of hand in order to indicate to the minister, the government, and some interests in the country who I believe have been promoting this legislation, that we in parliament want nothing to do with it.

Therefore, Mr. Speaker, without further ado, I move, seconded by the hon. member for New Westminster (Mr. Mather):

That Bill No. C-211 be not now read the second time but that it be read this day six months hence.