

The Budget—Hon. D. M. Fleming

long-standing objection of the province of Quebec to payment of federal grants to the universities of that province. The alternative provided in the measure will enable any province to replace the present federal grants to universities by additional provincial grants without placing greater burdens on its taxpayers and without increasing the cost to the federal treasury.

At the October meeting of the committee of ministers of finance and provincial treasurers, I also stated that it would be the intention of this government to arrange for a dominion-provincial conference of prime ministers and premiers in mid-1960 to discuss federal-provincial financial relations for the period after the expiry of the present agreements March 31, 1962. As hon. members are aware, the Prime Minister on March 24, wrote to all the provincial premiers inviting them to a plenary conference in Ottawa, July 25-27 of this year. We hope that this meeting will make a further major contribution to the achievement of harmoni-

ous fiscal relations between the dominion and the provinces.

(Text):

From a budgetary standpoint our fiscal relations with the provinces are extremely important since the amounts paid to or for the provinces absorb nearly one quarter of our total federal revenues. I should like to place on record table 2 showing the cost to the federal treasury in recent years of our fiscal arrangements with the provinces. This table includes unconditional payments and tax abatements as well as conditional grants and certain closely related payments, the grants to universities and the grants to municipalities in lieu of taxes. It will be seen that the total amounts paid or abated to the provinces have approximately doubled over the past four years.

Mr. Speaker: Has the minister leave to have this table inserted in *Hansard*?

Some hon. Members: Agreed.

[Editor's note: The table referred to is as follows:]

TABLE 2
FEDERAL CONTRIBUTIONS TO THE PROVINCES
(in millions of dollars)

	1956-57	1957-58	1958-59	1959-60 (preliminary)	1960-61 (estimated)
A. Unconditional Payments—					
1. Statutory subsidies.....	22.8	22.0	21.6	21.4	21.0
2. Tax abatements (estimated).....	157.4	275.6	275.1	299.6	335.8
3. Tax rentals.....		213.8	240.0	278.6	290.1
4. Equalization (including stabilization)	365.9	139.5	149.1	180.7	181.5
5. 50 per cent share of income tax on power utilities.....	6.6	7.4	8.7	9.0	9.0
6. Atlantic Provinces adjustment grant	—	—	25.0	25.0	25.0
7. Term 29 award (Newfoundland).....	—	—	13.6	7.3	7.7
Sub Total.....	552.7	658.3	742.1	821.6	870.1
B. Conditional Payments—					
8. Agriculture.....	.8	1.0	1.9	8.2	1.8
9. Health.....	36.4	34.6	46.1	46.0	40.2
10. Hospital insurance.....	—	—	54.7	149.8	167.0
11. Welfare.....	38.4	48.1	73.7	86.9	90.3
12. Vocational training.....	4.0	4.2	7.6	8.5	8.4
13. Highways and transportation.....	26.9	50.9	53.7	58.1	53.0
14. Resource development.....	2.9	4.4	8.7	16.0	12.4
15. Other.....	1.6	1.6	1.7	9.8	15.9
Sub Total.....	111.0	144.8	248.1	383.3	389.0
C. Payments for the benefit of provincial institutions—					
16. University grants.....	16.0	16.6	25.5	26.1	19.0
17. Grants to municipalities in lieu of taxes on federal government property.....	9.7	17.5	21.9	21.5	22.8
Sub Total.....	25.7	34.1	47.4	47.6	41.8
TOTAL.....	689.4	837.2	1,037.6	1,252.5	1,300.9

[Mr. Fleming (Eglinton).]