

Fiscal Arrangements Act

to mention that the purpose of an educational system is not merely to train businessmen, scientists or engineers, but also to develop in the individual that sense of humanism and that culture which makes him a superior man and enables one to tell a cultured man from one who is not.

Mr. Speaker, a wide educational program is being developed in the province of Quebec. I think the provincial minister of youth deserves credit for the wonderful job being done. As a matter of fact, we support his efforts and wish that such action should continue. But we are afraid that education in our province will be hampered or even stopped because of the lack of funds necessary to develop and carry out that education program.

Mr. Speaker, it is imperative for the provinces to regain their sources of income if they are to develop their educational systems, their road programs, their health schemes and all other matters which come under their jurisdiction.

If we are to adopt a more realistic and efficient scale of values, the province of Quebec must start by demanding the restoration of the province's sources of income.

Those sources of income used to belong to the provinces. However, the federal government took them over during the second world war. We appreciate that the central government was, at the time, justified to ask the provinces to lend it, as it were, their sources of income in order to help it fight the common enemy. However, the war has been over for 17 years and Ottawa has not yet given back to the provinces the sources of income it was supposed to borrow for a few years only.

Mr. Speaker, the government of the day promised to return their sources of income to the provinces—

Mr. Speaker: Order. I would point out to the hon. member that the matter at hand is very limited in scope since it has to do solely with the principle of the measure under consideration. The bill deals with a single matter, that of grants for university education. Under the provisions of Bill C-101, we are not, at the present time, considering the whole problem of fiscal relations between the provinces and the federal government. I therefore ask the hon. gentleman to restrict his comments to the very principle of the bill.

Mr. Gregoire: Mr. Speaker, after having read this bill, one cannot help relating it directly to another one which was adopted earlier during this session, and under which there was granted to some provinces, and more particularly to the province of Quebec, the equivalent of a 50 cents per capita increase. In the bill previously adopted, corporation tax exemptions had been increased by 1 per cent, that amount being handed back to the provinces. In the case of the province of Quebec, in order to compensate for that 50 cents per capita which is now handed back to the universities, that 1 per cent is directly levied by the Quebec government. That is why the bill is entitled: Federal-Provincial Fiscal Arrangements Act, in certain fields, especially education.

That is why, Mr. Speaker, I wanted to deal for a few moments only with those fiscal arrangements which concern us and about which I had been talking for some time: the transfer to the provinces of an additional source of income to help improve education.

Mr. Speaker, I respectfully submit that if we want to respect the spirit of confederation, we must not, as we are still doing today, increase 50 cents by 50 cents, drop by drop, the amount we give to universities, or increase by 1 per cent every two or three years corporation tax exemptions, to hand that percentage back to the provinces, but we must, in a single stroke, hand back to the provinces all sources of income belonging to them.

Mr. Speaker, that is one of the most important problems facing Canada at this time. Reference is made to the unemployment problem and to other problems, but let us not forget that all those problems will be solved by the smaller social cells, those social cells that are nearer to the individuals, and which cannot play their full role at this time on account of existing fiscal arrangements.

It is the federal government which levies all taxes, leaving almost nothing to the provinces and municipalities, so that they cannot face their obligations, as in the case of universities which we are now considering.

I should like to add, furthermore, that it is not because the Liberal party has robbed the provinces of their sources of income that this government should hand back those