

The Budget—Mr. Arsenault

In 1936, on the eve of a provincial election held that year, the present prime minister of Quebec, who was then leader of the opposition, advocated with a gesture that honoured him and that he likes to recall, co-operation with the Liberal government in Ottawa, as regards the payment of old age pensions in Quebec, on the same basis as in the other provinces.

The first payments were made in 1937. And, since 1937, that is since the introduction of old age pensions in Quebec, has the province lost or sacrificed in any measure its autonomy or its sacred rights?

But, that is not all. Again, when the so beneficial Family Allowances Act was introduced by a Liberal government in 1944, the slogan of provincial autonomy and sacred rights was heard once more in the province of Quebec and in at least one other province in this country, a province well known to the hon. Leader of the Opposition (Mr. Drew).

Here in this house, the then Conservative members, many of whom still sit among us, made speech after speech denouncing, with the energy of despair, the establishment of family allowances, in which they saw a measure seriously threatening the sacred rights and the autonomy of the provinces.

Today, however, after an experience of ten years in the administration of this profoundly human legislation, no one, even on the other side of the house, any longer claims that the safeguard of provincial autonomy requires the abolition of our system of family allowances.

And how many members of the Conservative party, beginning with the Leader of the Opposition himself, would dare to utter publicly the speeches they have made against the institution, by a Liberal government, of family allowances.

It is often repeated—many things are said—that Ottawa draws \$300 million in personal income tax in the province of Quebec.

It is never said however that Ottawa gives to the province of Quebec, through old age pensions, family allowances, pensions for the blind and subsidies to help the building of hospitals in Quebec, over \$200 million per year. It is never said however that the \$300 million received by Ottawa from personal income tax in Quebec is not even sufficient to cover the large amounts generously distributed by the federal government in

Quebec by way of pensions, allowances, unemployment insurance benefits, public works, grants of all kinds for the maintenance of its various services.

The least that one could do would be to recognize that what Ottawa draws in taxes from Quebec with one hand it gives generously with the other hand to the people of Quebec.

People who advocate social security measures, such as old age pensions and family allowances are called centralizers. Yet there is no more decentralized and more beneficial legislation in Canada than these measures enacted through the wisdom and foresight of the Liberal governments which have held power at Ottawa one after another; these measures today enable the St. Laurent government to take money from the pockets of people who have the means of alleviating the burden of those who are less privileged.

We are accused of being centralizers—

Mr. Dufresne: It is true.

Mr. Arsenault:—while under the terms of the fiscal agreements made with the provinces—listen carefully—we are actually bringing about decentralization and distributing the national income on a more equitable basis for all provinces.

Mr. Dufresne: Let the hon. member repeat that in the province of Quebec.

Mr. Gauthier (Portneuf): You would not understand.

Mr. Arsenault: As we all know economic centralization has come about as the years went by in the centre of the Canadian territory, and more particularly in the two largest cities of Canada, Toronto and Montreal, where are located the head offices of most of the largest business and financial institutions.

For example, mail-order houses, insurance and trust companies and commercial and financial establishments by the thousands drain each year through their innumerable branches disseminated throughout the country millions if not billions of dollars from the public which they send to Toronto and Montreal. As a consequence, these thousands of financial and commercial establishments are liable to taxation on their profits only in the provinces of Ontario and Quebec where their headquarters are located.