

*Dominion-Provincial Relations*

should have been limited to the three standard taxes is something which hon. members opposite will have to defend, because they themselves so limited it. We want to extend it more widely and to take into account 50 per cent of the yield from resource revenues. This will be a factor of great importance in serving the principle of equalization. I pointed out yesterday that disparities in the yield to provinces from resource revenues ranged all the way from 18 cents per capita to \$112 per capita. The 1956 formula completely ignored this disparity. We propose to include this element and to apply the principle of equalization in this regard at least to the extent of 50 per cent from this source.

The next point which was made related to future projections. In table 3 which appears in *Hansard* at page 7927 we have sought to give the house the benefit of our best calculations for the fiscal year 1962-63. Both the hon. member for Bonavista-Twillingate and the hon. member for Laurier have asked for a table giving projections beyond that date. Any projection beyond that date is necessarily hypothetical. It will depend upon many factors.

**Mr. Benidickson:** This one is hypothetical, too, as the heading of the table indicates.

**Mr. Fleming (Eglinton):** Yes, but we are much closer to next year; and while we have taken very great care to point out that this is hypothetical in that sense, it is the best we can do right now in making a calculation for a fiscal year the commencement of which is now some seven months removed. To go beyond that and ask the government to put on the record of the house tables of projections beyond that date is not, I think, a proper request. Any figures in that respect will depend upon a variety of circumstances. They will depend on the rate of yield from these various taxes. They will depend upon the element of growth of the gross national product. They will depend upon the number of wealthy persons who die leaving estates, and matters of that kind. The projection into the coming fiscal year is as far as I think it is proper to ask the government to go in putting figures before the house.

**Mr. Pickersgill:** In other words, we are denied the information.

**Mr. Fleming (Eglinton):** No. The hon. member can make up his own tabulations as he wishes. In the department we have made up many tabulations. These all depend upon circumstances. There is a great variety of permutations and combinations depending upon the weight you are to give to growth factors here and there. We did not put forward at the dominion-provincial plenary

[Mr. Fleming (Eglinton).]

conference any projections beyond 1962-63. The table we have put before the house at page 7927 is the table that was put before the conference. We did not put before the plenary conference projections beyond that date. Every province makes its own calculations for future years depending upon what weight they give to these different factors. I believe I have made my position quite clear in that respect, and I feel it is a sound position.

The hon. member for Laurier came back to the question of the constitution, and challenged the argument that the Prime Minister made yesterday. An important advance that this legislation makes over the 1956 legislation under which we have been operating in this regard for the last five years is that under this new legislation each provincial legislature will assume its proper and constitutional responsibility for determining what shall be the taxes levied in the province.

**Mr. Chevrier:** The provinces had the option of doing that before.

**Mr. Fleming (Eglinton):** Ah, but the pressures were such that that was chosen by one province with respect to three sources of tax and by one other province with respect to one source. For that reason we say that the tax rental system, whether you put it on an optional basis or on any other basis, was a system which put the federal government in the unconstitutional position of standing between the needs of the provinces in relation to revenue, on the one hand, and their proper constitutional responsibility in regard to determining what revenues should be raised on the other hand. This new legislation restores the responsibility precisely where it belongs under the constitution. Each legislature will take responsibility before the electorate and the taxpayers of the province to determine what revenue shall be raised to meet what are considered to be the proper fiscal needs of the province.

**Mr. Pickersgill:** Will the minister permit a question at this point?

**Mr. Fleming (Eglinton):** I was hoping to finish my remarks by one o'clock, and I will not be able to do so if I accept questions.

**Mr. Pickersgill:** I feel this is relevant. I should like to ask the minister whether any provincial government that now has a tax rental system has asked the federal government to stop it.

**Mr. Fleming (Eglinton):** Several of the provinces indicated that they were quite prepared to have the new system.

**Mr. Pickersgill:** That is not my question at all.