

Dominion-Provincial Relations

(Translation):

I wish the minister would tell me on what basis this figure was set at 13 per cent, instead of 10 per cent, with regard to that portion of the personal income tax to be paid over to the provinces? Why was not the percentage fixed at 12, 13, 14 or 15 per cent, which would have been better? Is it because the minister did not want the expected deficit for the next fiscal year to go over 500 or 700 million dollars, or is it because he did not wish to pile a further 62 or 63 million dollars on the budget of an administration for which he will no longer be responsible?

Mr. Fleming: Mr. Chairman, we chose—

Mr. Knowles (Winnipeg North Centre): Hear, hear.

Mr. Fleming: We chose 13 per cent—

Mr. Lesage: Because it was 13 per cent.

Mr. Fleming: We chose 13 per cent because we felt it is a fair one, in the present circumstances, both for the federal government and the provinces.

(Text):

Mr. Pickersgill: Is the minister going to answer the very serious question asked by my hon. friend, the member for Montmagny-L'Islet, who demonstrated quite clearly that because the 13 per cent is not being put into the stabilization formula as well as the formula for calculating revenues, if there is any serious decline in the revenues of the federal government, then these estimates, which the minister said were only estimates, could be very wide of the mark when the payments were actually being made. One way to safeguard the position of the provinces would be to put the 13 per cent in both places, as was done by the Liberal government with the 10 per cent, and as my hon. friend suggested should be done in this legislation.

The Chairman: Shall the item carry?

Mr. Lesage: We expect an answer to this suggestion.

Mr. Fleming: The matter is entirely out of order, Mr. Chairman, because the clause in relation to stabilization is not affected by the present bill and it is a rule of this house, a very sound rule, that when introducing a bill to amend clauses of an existing statute those clauses only can be discussed and no other clauses of the statute. Here we are dealing with a bill which amends one subclause of clause 2 of the bill. It adds at the end of the bill, in the parts with which we are now dealing, an amendment or qualification for one

[Mr. Legare.]

year in a particular subclause of clause 2 of the bill. That does not permit discussion on clause 5 of the existing statute and I do not propose to introduce any amendment to clause 5 of the statute.

Mr. Lesage: On the point of order, Mr. Chairman, the matter I have discussed has to do with the second part of clause 1 of this bill, which is No. 12, and I want to be sure that the amendment proposed will have its full effect. The only way in which this can be done is for another section of the act to be amended at the same time. I am asking the minister, in order to give full effect to this amendment, is he ready to amend the act further by amending clause 5. That is certainly in order, Mr. Chairman, and I believe the minister should reply.

Mr. Fleming: The government is satisfied that the present bill gives full effect to what is required in the context.

Mr. Hahn: The minister has made the point quite clear, Mr. Chairman, in the chart on page 3850 of *Hansard*—a portion of it, at any rate—where it says:

No stabilization will be due under the amended rate on the basis of 1957-58 figures.

That is in relation to British Columbia. I also have the report of the dominion-provincial conference at Ottawa dated November 25 and 26, 1957. I am interested in a table on page 63 of this report and, on comparing this particular table with the chart on page 3850 of *Hansard*, I have found some very interesting facts. Possibly the minister would comment on this matter in so far as discrepancies seem to exist.

The figures are practically identical but there is in this chart, as prepared by the government of British Columbia, item 10, which reads as follows:

Estimated present rental payments.

These figures are based on the population and they compare with similar figures in the chart on page 3850 of *Hansard*. The interesting point in this instance is that in Newfoundland the estimated figure is \$16,537,000 and the increase as proposed in the 13-9-50 ratio would be \$9,186,000, which is somewhat better than 50 per cent. In the case of Prince Edward Island the estimated present rental payments are \$4,136,000 and the increase is \$2,500,000, which would be somewhat better than 50 per cent. In comparing the figures I find pretty well the same thing applies in the cases of Nova Scotia and New Brunswick.

When we come to Quebec, Ontario, Manitoba, Saskatchewan and Alberta, I find in the comparison of these figures that they are going to receive just under a 10 per cent