

Tax Structure Committee

the development of medical care plan, or any other shared cost program will be now held in abeyance until this committee makes its report.

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, I listened with some interest to the statement by the Minister of Finance, and read press reports this morning containing much of the press release that was given yesterday by the Prime Minister. To say the least, I am not impressed with the progress that has been made. It seems to me if you carefully analysed the press release and the statement made by the Minister of Finance, about all you could find would be some general agreement on the terms of reference to this tax structure committee. After you have said that, you have said it all. We have noted that over the past few months the Minister of Finance and every other minister of the crown has ducked answers to inquiries relating to the fiscal relationship between the federal government and the provinces by saying that all these matters will be referred to the tax structure committee, which will come forward with a comprehensive plan to reallocate the distribution of taxation between the two levels of government.

There was one bright spot in the press report that came out, and that was that the federal government had agreed to take into consideration the matter of priorities. This is something that several of the provinces, led I think by Manitoba, have been advocating for some time. It seems to me that when we have a government capable of turning out one piece of legislation after another requiring enormous expenditures on a piecemeal basis, it certainly leaves the budgets of some provinces and the federal government confused.

I hope this committee does not break down into a series of studies taking into consideration all the so-called pressure plays, the temporary expedients, but will in fact address itself to finding an acceptable formula for the rearranging of tax distribution under the agreements, and that those arrangements will be based on the jurisdictional responsibility of the two levels of government. We hope that when a formula has been reached the federal government will be disposed to confine its legislation to the areas where it has constitutional authority. We note that there have been many pieces of legislation passed by the federal government that do in fact require expenditures by the provinces, and many of those have been passed without the consent of the provinces. In fact, Mr.

Speaker, sometimes these pieces of legislation involving increased expenditures have been passed after the budgets of the provinces were passed, thus upsetting their whole budget arrangements.

We also know that the announcement does not preclude changes being made between now and 1967. We hope this is not an indication that the federal government intends to yield to a lot more of these pressure plays to such an extent that it will determine in advance how much additional money it is prepared to give each province, and then construct a formula to meet the predetermined figures. We have seen this happen too many times during recent months and years, and it causes frustration to a number of the provinces.

We cannot go into the details now. The Minister of Finance is well aware of some of the objections we raised during the past few months to some of the charges that have been arbitrarily laid on the provinces. We are not particularly impressed with the statement he has just made, because it does not seem to indicate any set direction in which we are proceeding.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, the Minister of Finance has just announced the creation of a committee composed of representatives of the federal government and of the provincial governments to study the tax structure of the taxation system in Canada.

In my opinion, it would be preferable to create a committee for the purpose of studying the means of decreasing taxes in Canada. Our taxation system is defective because taxes are too high. Discuss this matter with any Canadian citizen, any company director, any businessman, any ratepayer, and they will recommend that the first step to be taken is to lower the taxes, because they are too high.

I hope that the Minister of Finance will tell us before long that such a committee has been set up, that it will examine this matter and recommend means to decrease taxes and help Canadian citizens to retain more money in their pockets.

At this time—and the committee will find that out if the Minister of Finance does not know it yet—for every dollar earned by the Canadian citizen the various levels of government, federal, provincial, municipal and school boards levy 47 cents as taxes. Out of all earnings, 47 per cent goes to governments as taxes. Indeed, the amount of figuring on the