

the house that because no general agreement was reached he intends to seek special and private agreements with the various provinces. I note that in the speech from the throne the following appears:

A meeting of the coordinating committee of the dominion-provincial conference was held in January. Progress was made in the consideration of proposals submitted by the dominion and provincial governments. The committee will meet again on April 25.

As a result of the conference, there may be further legislative proposals.

Surely the legislation then contemplated was not the enactment of the budget resolutions.

I shall deal almost exclusively with this one aspect of the budget, the intention of the government to make private and individual agreements with the provinces. In substance the government intends to say to each province: "If you will desist from collecting taxes we will pay you a large amount of money. If you, the provinces, will not levy and collect taxes on personal incomes, will not levy and collect taxes on corporations, will not levy and collect taxes on successions or inheritances, we will pay you a large sum of money." I am not mentioning some of the details of that offer, because I wish to deal with the general proposition. That is what the government says to the provinces. And it says, "Furthermore we, the dominion government, as a return for that concession, will pay you \$15 a head for your population as determined by the census of 1941 or at a later date; we will guarantee that that payment will be at least 50 per cent greater than the payments made to you under the war-times agreements; and we will furthermore undertake to increase these payments as your population increases and as your production per capita increases."

The minister has placed on record a table which shows approximately what this means. It shows that the amount guaranteed as a minimum if all the provinces accept the proposal is \$181 million, that it is likely to be \$198 million per annum, and then of course there is the possibility and even the probability of increase.

I want to say here that I am not adverse to assistance being given to provinces, assistance based on need, and my party is not adverse to that principle. What I object to is the method by which it is sought to administer that assistance, and it is to that method and its result that I intend to direct my remarks this afternoon.

I do not understand that any province is adverse to a method whereby need may be taken into consideration in a reallocation of

the revenues of the country. I find at page 221 of the records of the plenary session of the dominion-provincial conference this utterance by the premier of Quebec:

The federal proposals are unacceptable for the very many reasons I have given and which it would be unnecessary to repeat. As stated by me the door is left open—if I may say so without offence to anyone—for Ottawa to come to a better sense of proportion. The door is left open for friendly cooperation and understanding, based upon the fundamentals of the constitution and taking into account the past, the present and the future.

At the time of confederation the chief sources of revenues were customs duties and excise taxes. They were indirect taxes, and they were allocated to the dominion. Since then, changes have taken place, and direct taxes, to which the provinces were restricted, have become a greater source of revenue, greater by far than the indirect taxes to which the dominion resorted at the time of confederation. I believe that these facts should be taken into consideration. I see no objection to a reallocation of the revenues available for purposes of government. But I do object, and I object with all the sincerity and with all the vehemence that I can command, to the methods by which it is proposed to bring about that reallocation. And here are some of my objections.

The province of Quebec, for instance, has an annual budget of something under \$100 million: under this proposal it would receive from the dominion government just under \$60 million a year. The province of Ontario has a budget of about \$100 million, and under this arrangement it would receive something like \$65 million a year. My suggestion is this, that we have received a constitution, and part of that constitution is parliamentary, representative and responsible government. At every moment of every day a government stands poised on the confidence of the house and of the people of the province or the dominion. It is the duty of government to raise the moneys which are required for the purposes of government. It is the duty of government to account to the house for every last penny that is raised and spent for purposes of government.

It is there that we find that the genius of those from whom we descend has expressed itself. It is in that series of balances and checks that a form of government has been evolved which gives protection to the property owner, and meets the needs of those who are in distress.

Now, what is the result here? We would find a province receiving, in the two instances that I have mentioned, something like sixty or possibly more, per cent of its revenues as—I