

Interim Supply

good fortune to find a statement made by the federal minister of finance during the first world war. Premier Bennett quoted this statement from Sir Thomas White:

[Text]

"The income tax is peculiarly within the jurisdiction of the province and is a suitable tax for the purpose of the province—

I have placed no time limit upon this taxation measure; but I do suggest, and I should like this suggestion to be on *Hansard*, that after the war is over this taxation measure should be deliberately reviewed."

[Translation]

And here is the request submitted by the government of British Columbia, a request that we fully support:

[Text]

British Columbia requests the government of Canada to vacate progressively the fields of direct taxation, so that the provinces may reassert their fiscal responsibility and rights of confederation. British Columbia urges the federal government immediately to plan and implement the necessary steps.

[Translation]

Here we have another province, besides Quebec, which claims the total return of direct taxation to provincial governments. The Quebec premier was also expressing these ideas. He enumerated these provinces' needs and he proved beyond doubt, at least in his brief, that the provinces' needs were far more urgent than those of the federal government.

In fact, here is what Premier Lesage stated on page 10 of his brief:

The attainment of this objective, whose results will be beneficial to the country as well as to the provinces, implies that the provincial governments' activities must be considered before some federal projects. It is from this standpoint that we can assert that provincial needs resume the priority which had been temporarily given to the central government during last war.

Here again is a hint of the excessive expenditures of the present government towards national defence at a time when our country has more urgent needs.

The Quebec premier mentioned also the debts which are forever increasing because provincial governments do not have enough income to carry out all the projects they should.

For instance, when the Liberal party was chosen in the province of Quebec, the provincial debt amounted to \$305,905,000; it now amounts to \$644,962,000. By this, I mean the net consolidated debt.

The Quebec premier mentioned also the needs in the education field. Is it going to be suggested that those requirements are less important than those of national defence? What about hospital insurance? And the

development of natural resources in order to promote economic recovery? Will it be suggested that the needs of the federal government are as important as those?

Mr. Chairman, when one thinks of all the wasteful expenditures made by the federal government, in many cases, I cannot help but feel that the provinces must recover their sources of income, because to them belong the main fields of activity which can enable them to develop and, in this way, to help the country.

What about the minimum requests of the province of Quebec? This is what Mr. Lesage stated, as reported on page 46 of his brief:

We are asking once again as minimum taxation powers: 25 per cent of personal income tax, 25 per cent of corporation taxes... and 100 per cent of estate taxes.

This was the minimum, and the premier added:

They actually represent for us a bare minimum and they surely not exceed what might result from our current work on fiscal matters.

Mr. Lesage also stated:

It is obvious that the compensation, that is, the equivalent amount the provinces would derive if the federal government were to withdraw its financial contribution to joint programs, has nothing to do with the distribution of taxes as stated in our request for 25-25-100. This is an entirely different matter.

Mr. Chairman, there is talk about restlessness and turmoil within the province of Quebec. In fact, not very long ago, the present Prime Minister stated that he did not wish to be the gravedigger of confederation, the one who would preside over the division of Canada. But if he does not want to do so, he should refrain from making bombastic speeches and try to find solutions. He should begin by solving the problems. Time for speeches is over; now action is what is needed.

The Prime Minister spoke of certain Canadian claims concerning a national flag and a national anthem. This afternoon, a government member introduced a bill respecting the adoption of a national anthem. We were then willing to give full credit to the government for such a measure and to pass the bill. It would have taken five minutes.

The Secretary of State (Mr. Pickersgill) was asking us to vote one twelfth of the main estimates, that is several hundred million dollars in a few minutes. We could have as well studied the bill concerning the adoption of a national anthem this afternoon, more especially as it was proposed by a government member. Nobody was against. But no, it was alleged that there was not unanimous consent. The Prime Minister knows quite well that his party would have had obtained political credit. But still again words and no action.

Mr. Chairman, when we reach the period devoted to private members' business, we will