

The Budget—Mr. Garson

I should like also to place some on the record and then leave the members of this house and the public of Canada to judge which is the more satisfactory account of the breakdown of that conference.

What I have said is this. I have said that the conference broke up because after nine months of negotiation Quebec would set no rental whatever to the tax fields, and Ontario demanded rentals which were \$50 million more than the total of all the pre-war provincial revenues from all sources.

Mr. Rowe: When did you say that?

Mr. Drew: The minister did not say that today.

Mr. Garson: I said that in this house.

Mr. Pouliot: *Mortuus adhuc loquitur.*

Mr. Drew: I just want to have the record quite clear. The minister made no such reference to any such statement in the remarks to which my remarks referred.

Mr. Garson: In order to understand the material which my hon. friend has placed on the record and that which I shall now place on the record in reply it is necessary to recall that the conference was convened in August, 1945. On the very day it opened it was presented with what has been referred to as the green book proposals, which were a very complete statement of the program the federal government was submitting to the provinces as one entire, integrated proposal.

It was debated on that occasion for five days, and then arrangements were made for the technical officers of the provincial and dominion governments to confer in the interval, and the plenary conference again met in January, 1946. As might be expected, several of the provinces took at least bargaining exceptions to the first case which had been presented by the federal government, and made demands for a number of further concessions.

The dominion government made two major concessions to the provinces which they took under consideration in the interval between January, 1946, and the reconvening of the plenary conference in April, 1946. It was apparent when we met again in April that at least seven of the provinces would accept these concessions which had been made by the federal government and that, so far as they were concerned, agreements would be possible. It was at that stage that the province of Ontario presented for

the first time, in all these discussions extending over all this period of some eight or nine months, a new proposal or formula and I think I should put this proposal on the record.

Mr. Drew: Mr. Speaker, I must rise on a question of privilege. That is not correct. Ontario had put forward very comprehensive proposals which were on record in January of 1946. The minister has referred to the January meeting as a plenary meeting. That is not so. It was a meeting of the coordinating committee which at that time brought together the proposals which had been made by all the provinces. These extensive proposals, which became the subject matter of considerable discussion then and to which he is now referring, are a further development of one aspect of those proposals.

Mr. Garson: Mr. Speaker, my hon. friend is quite right in what he has said, but I thought I had clearly indicated that as a result of the proposals which had been put forward by the provinces including, as he correctly states, Ontario, the dominion government had made further concessions. He will not say, I am sure, because it is not a fact, that this new proposal or formula that he presented for the first time in the home stretch of these negotiations in April had been previously put forward at any time.

I welcome his interruption, because it makes clear that the province of Ontario had plenty of opportunity to consider the matter. I think in fairness to the other governments, both provincial and federal, it might be that this formula might more properly have been put forward in January, along with the other material which the Leader of the Opposition states they filed in January, 1946. But they did not put it forward then; they put it forward on April 29 in the closing days of the conference. This was the proposal:

In presenting this formula the Ontario government submits that until the balancing factors are determined by way of principle the basic figure cannot be settled with any arithmetical accuracy.

There would be a determined minimum per capita payment which, for convenience, can now be described as "X". The total annual rental to be paid by the dominion government to each province will be "X" dollars multiplied by the gross national production per capita for the year before the payment, divided by the gross national production per capita for the year 1941, multiplied by the population of the province for the year preceding the rental payment, or the minimum actual payment of "X" dollars multiplied by the population