

*Dominion-Provincial Relations*

should be federal-provincial co-operation. We have raised in this house on a number of occasions—and again I must refer to this only in passing, because there has already been a debate on this matter during this session—the whole question of education, which is more and more being recognized as an important matter to which Canada must pay increased attention. If we are going to do that, Mr. Speaker, it calls for more than fine words and fine speeches; it calls for a serious endeavour to grapple with the financial problems related to education.

I submit that this matter calls for federal grants in aid of education without interference with the jurisdiction of the provinces in this important field. May I point out that this is one aspect of federal-provincial fiscal arrangements which means something specific and which has not been touched upon in the bill, good as it is, which deals only with the sharing of the tax pie we now have and which changes that sharing to only a very slight extent.

The government across the way has had a good deal to say about its national development program. We have urged the fullest possible development of the resources of this country, and that position is taken by all political parties and by all those who are interested in public affairs. In the same vein that we suggest that it would improve our governmental revenue picture to have the unemployed put to work, so we say this position would be greatly improved if real steps were taken to develop the economy of this country in all its various regions.

All levels of government are having difficulty in getting by on the available revenues. You do not really solve these problems by changing the angle of division within the pie. You do not solve them nearly as well in that way as by dealing with them as they ought to be dealt with, namely by increasing the size of the pie, increasing the wealth that is produced in this country. We suggest that as part of the active pursuit of effective federal-provincial fiscal arrangements there should be greater concentration as to ways and means of co-operating in generally developing the resources and the economy of this country.

I could go on to talk about the need for a second trans-Canada highway and assistance to other highways and roads, or about the need for assistance in the building of bridges and other public works. I could refer to the speech which my hon. friend from Kootenay West has made so well in this house on the need for a national conservation program. I could refer to the speech which my good friend from Burnaby-Coquitlam

[Mr. Knowles (Winnipeg North Centre).]

made the other day about the problems of the municipalities. These questions are all wrapped up in this basic problem of financing the needs of this country, and that is what is before us in this bill which is before parliament today.

Our complaint is that the government seems to see it only in terms of a slight alteration in the division of the revenues which are now available. Basically what we are concerned with is the economy of the nation as a whole. What we are concerned about is organizing that economy in terms of national unity, so that all our people across Canada will have a chance of securing the highest possible standards of living and the highest possible per capita income.

The Minister of Finance made a mistake the other day when he referred to per capita income. I hope he will not take that out of *Hansard*. I hope that having made that mistake he will realize that it is one of the tasks of government to raise the per capita income of our people, and particularly to raise it in areas where it is lower than in others. That is what we are concerned about, not just the division of the pie among the various spending agencies but the raising of our production levels, our standard of living and our standard of services.

That, I say, should be the aim of this legislation. The legislation before us has been brought about in a way we do not find satisfactory. It has been brought about on a unilateral basis. This business of doing it by telegram, and blaming an employee of the Canadian National Telegraphs because two of the premiers did not get their telegrams when in reality it was the fault of the government for relying on this method of so-called consultation, is not good enough as far as we are concerned.

The extra money to be received by the provinces will be welcomed by them, and we are voting for this measure; but we hope we will yet have in this country a government which sets its sights much higher in terms of what can be done to raise our standard of living and our standard of services than either the government which is now in power or the government which held office for too many years.

Hon. members of the Liberal party have enjoyed in the last day or two pointing out that the Conservatives are buying off Premier Frost at 20 cents on the dollar. I do not blame them for making a debating point of that, but I think I could make one too. When I hear this 20 cents on the dollar mentioned and the suggestion that the government is giving only one-fifth of what it promised to the premier of Ontario, I am