

*Dominion-Provincial Relations*

own scheme it would not be until next year, not this year, that \$100 million more would be given to the provinces. So the Prime Minister was quite wrong in what he said.

**Mr. Fleming (Eglinton):** No, Mr. Chairman, the Prime Minister was not wrong at all. The hon. gentleman has chosen to make broad, general assertions without supplying the evidence. The fact is that the benefit of the increases that have been made commencing in 1958, after the change of government, is as follows. Here I am confining my remarks to the increases brought about in the unconditional payments. The increase from 10 per cent to 13 per cent in the provincial share of the yield from personal income tax and the Atlantic provinces adjustment grants—

**Mr. Pickersgill:** And the grant to Newfoundland, which I do not admit should be in this at all.

**Mr. Fleming (Eglinton):** I set this out in my remarks of July 11, at page 7914 of *Hansard*. I said:

In 1958-59 this increase was worth \$55.9 million to the provinces, in 1959-60 \$67.2 million, in 1960-61 \$68.3 million, and the estimated value for 1961-62 is \$72.6 million or a total of \$262 million for the four years.

On the same page I also pointed out that the benefit of this progressive withdrawal of the federal government in favour of the provinces in the personal income tax field will result at the end of this coming five year period in—

**Mr. Pickersgill:** Mr. Chairman, the minister does not need to talk about the future. I was talking about the effect up to the present. All the minister is doing is confusing matters.

**Mr. Fleming (Eglinton):** Mr. Chairman, the minister is seeking to clarify the confused approach of the hon. member to the statements of the Prime Minister. The Prime Minister was speaking yesterday of the tremendous increases in the federal payments to the provinces. The Prime Minister drew the attention of the house to the very large increases in payments that had been made out of the federal treasury to the provinces, including the unconditional grants, conditional grants and payments for the benefit of provincial institutions.

**Mr. Pickersgill:** Not in the passage I am referring to.

**Mr. Fleming (Eglinton):** The payments he dwelt upon are set forth on page 7915 of *Hansard*. Without going over the ground again, the Prime Minister in this respect was drawing the attention of the house to the fact that

[Mr. Pickersgill.]

the payments under these various headings for the benefit of the provinces in 1956-57 totalled \$689,352,000; in 1957-58, \$837,136,000, and in this present fiscal year these payments will total \$1,470,139,000.

The next point put forward by the hon. member for Bonavista-Twillingate is one that the house has heard him refer to very frequently. I suppose if any subject is worn threadbare it must be this one. It is the subject to which the hon. member refers constantly. I refer to the subject of equalization and the remarks of the Prime Minister at the dominion-provincial conference in July, 1960. We have discussed this before. The interpretation the hon. member has put on the words of the Prime Minister is not the correct interpretation.

**Mr. Pickersgill:** I have never interpreted them; I have always read them.

**Mr. Fleming (Eglinton):** He comes back to it again and again. His interpretation, I say, as I have said so often, is not the correct interpretation, but as he has stated it again this morning I am obliged to set the record straight again. In his remarks which have been quoted by the hon. member from page 10 of the report of the dominion-provincial conference of July 25, 1960, relating to this question of equalization, the Prime Minister was placing himself and the government firmly on record in favour of the principle of equalization. The hon. member then goes on to identify the principle of equalization with the formula in the Federal-Provincial Tax-Sharing Arrangements Act by which the government of that day proposed to meet the problem of equalization.

**Mr. Pickersgill:** I did not do it. The Prime Minister did.

**Mr. Fleming (Eglinton):** We take issue with the hon. member as to the interpretation he places on the words of the Prime Minister. We say he is misinterpreting them. We have said that before. I suppose the hon. member will go on giving his interpretation to the house until kingdom come or until there is a change of representation. We, on the other hand, will continue to deny the interpretation he is putting on the words of the Prime Minister.

**Mr. Pickersgill:** On a question of privilege, I have never interpreted the Prime Minister's words. I have only read them. They speak for themselves. I am not surprised that the Prime Minister is sensitive, because he knows this is a repudiation.

**Mr. Fleming (Eglinton):** That last sentence is utterly false. There has been no repudiation at any time by the Prime Minister. The