

Hon. Mr. HAIG: The words used were "fiscal need" and on that basis the report was made.

Hon. Mr. LAMBERT: It involved a redistribution.

Hon. Mr. HAIG: After a very exhaustive examination the commission recommended that the provinces be paid 40 million dollars. I do not know what prompted it to make that finding, but I could pass on a number of reasons given by other people as to why the recommendation should not be adopted. Even the province of Nova Scotia, which accepted the agreement, is now kicking about it.

As to succession duties, I think it a terrible thing that the Dominion Government should step into that field. The dominion has no right as compared with the provinces to collect succession duties. I say candidly that it is done with a view to catching income tax evasions. In an application under the Succession Duties Act, the very first thing one is confronted with is a question as to income. I believe that estates are naturally within provincial jurisdiction.

In conclusion I wish to say that I heartily support the demands—and I use the word advisedly—of the Premier of Ontario and the Premier of Quebec, that a conference should be called again, and that it should continue until some satisfactory arrangement is reached. I hope that the ills which I have attempted to portray will not flow from an agreement reached in that way.

Hon. JACOB NICOL: Honourable senators, I had no thought that I would have anything to say on this bill. For two years I have been trying to familiarize myself with the fiscal laws of this country, and with respect to the bill now before us. It deals in figures of a magnitude that no one would have dreamed of a few years ago.

Canada became involved in large figures through her financing during the war years. As to war expenses, I repeat what I said to the honourable Minister of Finance when he came to Sherbrooke: "Since we are now raising money for war purposes you may ask for any amount you need." We wanted to win the war and we were prepared to pay the cost. We paid the taxes then for war purposes, but did not dream that after the war was over and victory was won this country would continue to be taxed as it was when the war was on. The budget figures for the dominion and the provinces, showing the amount the people of Canada are obliged to pay, are staggering.

As a student in Quebec I was secretary to the Provincial Treasurer of those days, and I well remember that the budget for 1902

reached the huge figure of five million dollars. I well recall the treasurer calling me in and saying: "Nicol, imagine the revenue of this province being five million dollars." That was the first time it had reached that figure.

In 1921 it was my privilege to become Provincial Treasurer for Quebec, and I placed my first budget before the house in 1922 in the amount of \$21 million dollars. That was the highest figure reached up to that date, and in that year the liquor commission brought in five million dollars. The budget of my province never exceeded 16 million dollars during the term of office of Sir Lomer Gouin, and he was regarded as a great premier who did wonderful things for the province. At the end of my term of eight years as Provincial Treasurer the budget was 30 million dollars, with a surplus in excess of five million dollars.

Does anyone believe that the people of this country have become so rich that they can afford to pay such amounts as the federal and provincial budgets require? Yet the spending by the dominion and the provinces goes on. This year the budget for Quebec will be 150 million dollars and for Ontario it will be more than 200 million dollars. Have the people of my province become so prosperous that in 1947 they can pay four times the amount of taxes they paid in 1930? I do not believe they can.

In my opinion the cost for both federal and provincial administration, as it effects the welfare of the people, has reached a danger point. I believe that those in authority should make an honest study of the situation and try to bring some relief to the ordinary working people, who after all have to pay the taxes.

The honourable senator from Churchill (Hon. Mr. Crerar) recently said, in speaking on another bill, that money was created by work and that no money was acquired except by sacrifice; that for every dollar collected by the federal and provincial authorities somebody sweated and worked. If that principle were kept in mind I think we would be more careful when called upon to vote millions of dollars of expenditures.

As to the bill now before us, my sympathies are somewhat divided. It was my privilege to serve my province in the provincial house for over twenty-five years. My mentality has been tinged somewhat by the provincial situation. It was my privilege to serve under such men as Sir Lomer Gouin, who was well known as one who believed in provincial rights. Later it was my privilege to serve under the Honourable Mr. Taschereau, who, as everybody knows, believed in the province of Quebec "sitting tight" on