

*Oil and Gas*

haggling prevailed to recuperate the sources of revenue that had been granted to the federal government for World War I.

And then we start all over again. There is the war of 1939-45. Again the federal government says to provincial governments, yield us some revenue sources. We need them badly to make our war effort. And since the province of Quebec is different from the others because of its French nature—the only province in Confederation to be French-speaking—necessarily it had to fight harder to keep and get back its revenue sources to be able to provide Quebec taxpayers with services and culture in line with the French culture, its traditions, its habits and customs which are necessary and an enrichment in a confederative country like Canada.

Just remember after the war of 1939-45 the great political battles of two outstanding statesmen, the Right Hon. Louis St. Laurent who was at that time Prime Minister of Canada and the Hon. Maurice Duplessis, premier of the province of Quebec. Quebec was passing legislation to recover the revenue sources yielded because of the war and Ottawa was opposing that on the pretence that it had an absolute need of all those revenues to administer Canada, and while this was going back and forth increased centralization was taking place; there was even encroachment upon the powers of the provinces and centralization was taking place year in and year out. Today, I think that if we want to ensure the survival of Confederation we will simply have to give the provinces more autonomy and respect their rights so they will be strong within Canada as a whole—not strong in one area and weak in another, but strong within Canada as a whole.

I think that is the best method to ensure the survival of Confederation so all Canada can benefit from those advantages, the natural resources that Providence was good enough to award us. And to do that concessions will have to be made. The provinces, admittedly, have very heavy responsibilities. They also have responsibilities vis-à-vis the municipalities, and people are expecting ever more services. That is absolutely normal and as far as possible the leaders must meet the quite legitimate and reasonable demands of the population, but to be able to meet them adequately it takes revenues to pay for expenditures.

Well, that is the ongoing problem. Ottawa needs money. The provinces need money, and so do the municipalities. The municipalities are lacking the revenues to meet their obligations. If we look at the financial reports of our municipalities, we see that most of them are so much in debt that more than 60 per cent of their revenues go to servicing that debt. They run into debt, they get ratepayers into debt today for 50 years to come. They get ratepayers not even born into debt. That is serious, because it is to pay services for today. Fifty years from now, these people will still need services. I think that is not a good financing method.

The Federation of Mayors of Canada is formed, I think, of intelligent people. They meet every year. What do they talk about during these meetings? I attended some of them; nothing has changed, it is still the same today. They talk of revenues, of demanding a better distribution of tax revenues from the governments to municipalities so that

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they can meet their obligations. That is what we are talking about today. Resolutions are passed, asking Ottawa to yield revenue to the provinces, and the provinces in turn will have to do the same. Everybody is fighting, all administrators are fighting for a better income, and we appear to persist in keeping the same financing methods of 50 or 100 years ago.

● (1620)

There has been no evolution, no change in the public sector. We keep on thinking in terms of sources of revenue, taxes on individuals and corporations in such a way that individuals are over burdened. Corporations are unable, to a reasonable extent, to develop natural resources to the benefit of all people simply because of that financing method of the public sector.

According to me—and I think of it very seriously—it would be time for the Canadian Parliament to make a decision, being the supreme authority. We know that provinces may not legislate in the monetary area: they cannot deal with it because they are not allowed by the Constitution.

To my mind, we could manage by granting the municipalities, the provinces, higher tax income. The federal government, which has the power to legislate in the field of finance, could find another source of revenue by using modern means, means that would correspond to our economic development, modern techniques, swift production, accelerated financing, by resorting to that financial institution of its very own, the Bank of Canada, by adopting amendments that would allow that institution to provide and loan it the sums of money required to finance part of the administration of the country. Not useless loans, but loans based on common sense, on reality, on the gross national product of our Canada,—although it may be declining now, but I trust that is only temporary—so that we can get back to normal and put to better use all our human resources, and increase the gross national product. That would enable the federal government to find sources of credit, loans from the Bank of Canada at a reasonable rate, comparable to administrative costs.

What is it that overburdens the municipalities, the provincial governments, the federal government in the field of finance? Rates of interest that are too high. That is absolutely senseless. Order must be put in that field, and the federal government has the authority to act.

I hope that when Bill C-57 goes to committee, we will have a chance to go into things in depth and very objectively in order to improve the situation in favour of the provinces and the municipalities, and thereby put an end to centralization.

This is provided the Canadian confederation remains strong and that throughout the country the people are satisfied. Thus the people could benefit from the same services throughout Canada because in short, we are all living on Canadian territory and the entire resources must be distributed for the benefit of all Canadian areas and people.

When the bill will be considered in committee, I hope the Minister of Finance (Mr. Turner) will take note of the proposals and suggestions made to improve it and make it meet the requirements of the provinces, to respect further