

Income Tax Act

result of the continuous and strong requests not only of the provincial government but also and especially of the Quebec members who sit in this house, as well as those of the Quebec people. We now know the whys and wherefores. And why are those changes to clause 9 substituted for the amendment which had been provided in 1960, I believe? Why will 21 per cent of the basic tax be deducted in 1965, instead of 19 per cent, and 24 per cent instead of 21 per cent in 1966? It is in order to try to give to the provinces a larger source of revenue, so that they may be in a better position to develop from the economic and cultural standpoints.

It is also because it has been recognized that the provinces have priority requirements. If the act as it existed before has been amended, it is because it was recognized that Quebec has priority needs. By this change, it is recognized that provincial governments have priority needs, and the federal government states that these needs—

Mr. Pepin: Order.

Mr. Grégoire: Mr. Chairman, I do not understand at all the interruptions of the hon. member for Drummond-Arthabaska (Mr. Pepin). If he has something to say or a question to put, let him stand up and I will be pleased to answer him. But he is too far for me to hear what he has to say at this time.

So, Mr. Chairman, if changes were made, it is because one thing became clear; this amendment to the act acknowledges the priority needs of the provinces, and especially those of the province of Quebec.

However, Mr. Chairman, I must add that the changes made at this time are not sufficient. It is too little, and much too little. What should be done, is to give back 100 per cent of direct taxation sources to the provinces. If the other provinces do not want them, they only have to leave them to Ottawa. But Quebec wants them. A stop should be put to the violation of the 1867 constitution, as it is violated now, and Quebec should get back 100 per cent of its sources of revenues, as it requests it.

Mr. Chairman, I can assure you that the fact of amending clause 9 and changing the rates 21 per cent and 24 per cent to 25, 50, 75 and 100 per cent, in order to give back to Quebec, by 1967, its sources of taxation, that will be much more important for national unity than any speech the Prime Minister can make before the Canadian Legion in Winnipeg.

I do admire the action taken by the Prime Minister but, unfortunately, it came too late. As this matter has been dragging for years, it comes too late; it will not be enough to satisfy the claims from Quebec. In my

[Mr. Grégoire.]

opinion, it is still time, today, to amend this clause 9 and provide that by 1967 the provinces will be handed back 100 per cent of their indirect and direct sources of taxation.

Mr. Pepin: You are sick.

Mr. Grégoire: Mr. Chairman, once more, I did not catch a single word of the jabbering from the hon. member for Drummond-Arthabaska. If he wishes to ask a question, let him rise and ask it.

Mr. Pepin: I simply say that you are mad. Mr. Chairman, if you allow me, I shall ask the member for Lapointe this question. If the central government gives to the provinces 100 per cent of the taxation powers, what will remain for it? How will the central government continue living?

An hon. Member: It is very easy to answer that.

Mr. Grégoire: Mr. Chairman, it is very easy to answer that question. But before so doing, if I am not mistaken, the hon. member for Drummond-Arthabaska said I was mad. Now, I want to assure him I am of dangerously sound mind, and I think that the mad people are those who change their opinions or ideas as soon as they move from one side of the house to the other. One can see then that their ideas are not sound, which is an indication that they are not of sound mind.

Mr. Pepin: I never changed sides. I have always been on this side.

Mr. Martineau: You changed your mind.

Mr. Grégoire: Mr. Chairman, to change sides or change one's mind outside the house and in the house is even more serious. To say something before the election and something else afterwards, is still more serious.

Mr. Pepin: Mr. Chairman, I ask the hon. member for Lapointe to withdraw his remarks.

The Chairman: I do not believe that the hon. member for Lapointe made any unparliamentary remarks. I understood the hon. member for Lapointe to say that a certain member might change his mind. I do not feel it is unparliamentary to say that a member might change his mind.

Mr. Pepin: Mr. Chairman, I wish to point out that I changed my mind to get a better view of things.

Mr. Grégoire: Mr. Chairman, it is not difficult to answer the hon. member, because it is known that he does not speak in the same way in the house as outside the house. In fact, it is known that the hon. member makes fine statements outside the