

*Interim Supply*

There should not be set up, like the last time, a meeting of the ten provinces, which do not agree and which bring forth contradictory requests, in order to take advantage of the situation to turn everyone down. Under those circumstances, the negotiation system does not rest on an honest basis. The problems of each province should be settled with each one separately.

When I consider the results of this conference, I cannot help remembering the sad political history of the province of Quebec: "Grits in Quebec, Grits in Ottawa". Poor Quebecers. It is always Quebec which is the loser; it is always Quebec which is taken in. We have experienced that situation in the past: "Grits in Quebec, Grits in Ottawa". What was the result? Our province was always the loser. The Quebec people were always the losers. And the same thing is happening again.

Let us review the events which occurred before the last general election. There was the ultimatum, and this nobody can deny. The ultimatum was served on April 5, and Premier Lesage confirmed that himself on television, using the word "ultimatum".

The Minister of Justice (Mr. Chevrier) admitted, on May 27, he had heard Mr. Lesage speaking on television about an ultimatum. In fact, the premier of Quebec uttered the word "ultimatum" before millions of French Canadian viewers, besides using it in the legislature, a fact which was confirmed later on by some ministers of the provincial cabinet, among whom were Messrs. Rene Levesque, Gerin-Lajoie and Pierre Laporte.

Mr. Gerin-Lajoie, more than anyone else, wants to have a bigger slice of taxation, or, otherwise, he will be forced to tell the school boards to increase their taxes. Indeed, school taxes have increased by \$1 to \$1.25 per \$100 of assessment in the province of Quebec to reach \$6 or \$7 per \$100 of assessment; taxes increase so much that Mr. Gerin-Lajoie has become public enemy number one. At first, Quebec wanted better tax sharing, but suddenly we stop hearing about an ultimatum. They speak of requests, as a basis for discussions in order to make a claim at the federal-provincial conference. They got practically nothing. They have \$42 million but no taxation rights. They leave everything to Ottawa. That is exactly what has happened in the political history of the province of Quebec, when it was "Grits at Quebec, Grits at Ottawa." Once again, the province of Quebec is the loser. Arrangements were made between the two, behind the curtains. Informal meetings are held and arrangements made, but the province of Quebec is always the one taken in.

[Mr. Gregoire.]

Mr. Chairman, I can say that the citizens of the province of Quebec, who still had some confidence in their premier, are quite disgusted with the results of the federal-provincial conference. Once again, they have found out that the premier of Quebec came to Ottawa to yield all along the line, as his predecessors had done in the past, before the centralizing schemings of the federal government.

The province of Quebec has always been convinced that the Liberal politicians she sent willingly to Ottawa or Quebec deserved credit for their wonderful promises, but, on the side, they always saw to it that the province of Quebec ended up the loser.

The ultimatum was given in April and will expire next April. Another federal-provincial conference will be held next March. A one-year delay was agreed to and will expire on April 6, 1964.

I hope that, at the next federal-provincial conference, the Prime Minister will not simply try to brush discussions aside, then adopt a certain policy and say that a few days were not enough to take decisions. I hope that, at the next federal-provincial conference, the Prime Minister will not arrive with high sounding phrases as he did at the beginning of this one, but rather with decisions and facts.

In my opinion, what the province of Quebec is asking for is only a beginning: 25 per cent each of corporation and personal income taxes and 100 per cent of succession duties. These are only initial requests that will go on increasing until 100 per cent of direct taxes are obtained.

In my opinion, the best brief submitted at the federal-provincial conference is still that submitted by the premier of British Columbia, Hon. Mr. Bennett, who said among other things:

[Text]

British Columbia believes it is time that independent decision on all matters other than those of genuine national and international concern be restored to the provincial legislatures. We submit that much of the strain of recent years on national administrations has arisen from a failure on their part to recognize the appropriate boundaries of their sphere of operations.

[Translation]

The premier of British Columbia, Mr. Bennett, said a little further:

[Text]

One of these rights, designated as an "exclusive power", was the use of direct taxation within the province.

[Translation]

Direct taxation is a right that belongs exclusively to the provinces. And I had the