

Federal-Provincial Fiscal Arrangements

hensive national policy to deal with the problem of unemployment. A policy of this kind can only be carried out under the vigorous leadership of the federal government. Unemployment must be dealt with in two ways:

(1) The implementation of proper fiscal and monetary policies by the national authorities. This should include a program of capital grants to the provinces and to the municipalities so that public investment may be expanded as unemployment reaches critical proportions.

• (2050)

(2) Responsibility for the relief of the unemployed be taken over by the federal government. Neither the provinces nor the municipalities have the resources to deal with this problem during a business recession. It will, of course, be remembered that this was one of the principal recommendations of the Rowell-Sirois Commission.

That last recommendation has now been implemented. So the items discussed at the conference in 1955 can be summarized as follows: some of the proposals have been implemented and some have not:

1. Federal assistance to the provinces for the purpose of resource development.

This has been done by successive governments. I am not taking any partisan position on it at the present time.

2. Future tax revenue agreements should include a factor which will take into consideration the difference in taxable capacity among the various provinces.

This has been recognized and done.

3. Reconsideration and review of the Duncan and White Commission's awards.

This is one request which has not been recognized. If the minister will take the trouble—as I know he would if he had the time—to see what I have said about the Duncan and White Commission's awards, I should be greatly obliged because perhaps he does not have up to date information on this subject. I have referred to it only in general terms though, I believe, in appropriate terms.

4. Extension and revision of the Trans-Canada Highway program.

This has been done. The country has been joined from east to west.

5. A national policy to deal with unemployment.

I question whether this has been done by any government. If the minister were to ask me what I would do about unemployment, I do not think I should be able to tell him without a great deal of thought, and perhaps not even then. Everyone acknowledges that this is a very difficult problem. We were talking about it in 1955 at the Dominion-Provincial Conference and we are still talking about it today; it is still with us, unfortunately.

We in the maritime provinces are very conscious that some of these requests made during the 1955 conference have been complied with by this government and by previous governments of all political complexions. There still remains, however, recommendation No. 3. I do not ask the minister to do anything about it at the moment because I cannot speak on behalf of any provincial government, though of course I have their interests in mind. We must differentiate between our federal responsibility and responsibility to our province and its claims. But I think the minister should acknowledge that we have a credit balance on his books; and I am referring again to recom-

[Mr. Flemming.]

mendation No 3. So when representatives come from the provinces looking for special consideration, I trust he will receive them with his usual courtesies.

Mr. Len Marchand (Kamloops-Cariboo): Mr. Speaker, before I begin my remarks this evening I should like to congratulate my hon. friend from Ottawa-Carleton (Mr. Turner) on his appointment as Minister of Finance after doing an excellent job as minister of justice. I know he will do the same kind of job in his new portfolio. I should also like to congratulate my hon. friend from Calgary South (Mr. Mahoney). We all know the tremendous job he did in piloting the tax reform bill through the House. He deserves elevation to a cabinet post. I welcome his appointment, as a westerner, but I welcome him first and foremost as a Canadian. I know he will do a tremendous job for Canada.

I am pleased to participate in the debate on Bill C-8. I listened to the Minister of Finance yesterday with a great deal of interest, and I stand solidly behind him and the remarks he made regarding the philosophy of equalization. This has been a very hot subject in the province of British Columbia during the last few months. I am distressed about the connotation this debate has taken on in British Columbia. The Premier of British Columbia has, in my view, taken a wrong stand and the remarks he has made can do a great deal of harm in sowing seeds of distrust and misunderstanding which would lead people to think in terms that would be totally against the best interests of confederation. I do not know what Premier Bennett is trying to do. He says he is not trying to divide the country. I believe him. Yet his remarks certainly cannot be considered constructive or in the best interests of Canadian unity. Perhaps, if he is not trying to be divisive, he should think through the possible consequences before making public statements.

If the government of British Columbia is challenging the concept of equalization on a constitutional and fundamental basis, then maybe they should tell the whole story of where the payments are going, rather than just relating the grievances to statement that too much money is going to Quebec alone. These are not the facts, Mr. Speaker, and the good Premier knows it.

When I hear remarks of this kind, about there being perhaps too many Frenchmen in Ottawa, and remarks such as some hon. members made during the debate on the Speech from the Throne, I have to chuckle. I almost feel like saying, "If you don't like this country you should give it back to the Indians." On the other hand, I suppose the Indians might be blamed for part of this problem. If the Indians had established a different immigration policy these difficulties would not have occurred.

Some of the facts concerning the disposition of grants under the equalization program have already been placed on record by the Minister of Finance. However, I do not believe it would be amiss to re-emphasize them and perhaps to draw attention to a few which were not mentioned by the minister. I should like to put on record figures as to the moneys received by the so-called have-not provinces from equalization payments expressed as a percentage of gross revenue from provincial sources: Newfoundland, 65 per cent; Prince Edward Island, 55 per cent; Nova Scotia,