

Dominion-Provincial Relations

Mr. Chevrier: Then perhaps I can continue with the questions which I have and the minister can deal with them all when he gets to them. My first question was, what additional amount will Quebec receive under this scheme as compared with the old scheme? I think here I should repeat what the hon. member for Bonavista-Twillingate asked the minister yesterday and which I too interjected during the course of his remarks; namely, a request for a projection over the whole five years of this new legislation as compared with the old. I may be mistaken in this, but my understanding is that the province of Quebec will receive over the full five year period about \$2.5 million more than before. The minister will correct my impression if it is wrong, and I should like to have on the record the exact amount. I should like also to have that projected under this scheme for the province of Quebec over the whole five year period. For instance, I would like to know what Quebec will receive under this legislation in every year from 1962 to 1966. Then I would like the same information for the province of Ontario. I would like to find out from the minister what the province of Ontario will receive under the new scheme for the first year. I made the statement yesterday that this would be \$18 million, and if that is inaccurate the minister will probably comment on it. Then I think I should obtain the same information for Ontario during the period from 1962 to 1966.

The next question that I would direct to the minister is this. What are the changes included in this bill which will improve the right of the province of Quebec to levy and collect direct taxes? What is there here which gives Quebec greater constitutional freedom than it before? I hope the minister will answer these questions when he has disposed of the other matters that have been raised on clause 1.

Mr. Fleming (Eglinton): Mr. Chairman, perhaps it will contribute to orderly discussion if I review the points that have been raised this morning largely in the order in which they were put forward by hon. members opposite.

First of all, the hon. member for Bonavista-Twillingate invited the committee to compare the result of the legislation in 1957 in increasing the payments to the provinces in the preceding five year period with the increases brought about by the combined operation of the 1958 increases and those that will come into effect under this bill. Let me clarify this.

The table on page 7927 I think gives the complete answer as applied to the year about which the hon. member was speaking. He

says, "Compare this in the first year with the new five year period", that is to say the next fiscal year, 1962-63, commencing April 1, 1962.

Mr. Pickersgill: Which table is that?

Mr. Fleming (Eglinton): It is table No. 3 on page 7927 of *Hansard*. This table shows this very clearly. The line at the bottom of the page gives the projection into 1962-63 of the formula that was legislated by parliament in 1956 under the Federal-Provincial Tax-Sharing Arrangements Act for the five-year period commencing April 1, 1957. If that formula had continued into the fiscal year 1962-63, the total paid to the provinces would be \$771,936,000, according to the best estimate that can be made to date.

The effect of the combination of the 1958 changes and those provided for by this bill—because this bill carries forward and extends the increases that were made by the legislation of 1958 and later years—shows that on the same calculation for the same year, with the benefit of this bill and the changes it makes and continues, the total paid to the provinces is estimated to be \$899,414,000. So the increase brought about is of the order of \$128 million. I think the hon. member realizes now that the statement he was making in relation to the comparison does not hold water.

He is also overlooking the fact that this table is based upon the year 1962-63, in which year the federal withdrawal from the income tax field in favour of the provinces will be 16 per cent; that each succeeding year there is to be an increase of 1 per cent in the extent of the federal withdrawal until in the last of the five years the withdrawal will be 20 per cent. So I think the hon. member will realize now that his comparison and the conclusions he was drawing are quite unsound.

Next, Mr. Chairman, I cannot let pass his comment on the figures used by the Prime Minister yesterday without taking issue with it. He says the Prime Minister's arithmetic was not right, but he did not follow that up by taking issue with any figure at all.

Mr. Pickersgill: Mr. Chairman, the minister seems to forget this fact. I did not go into the Prime Minister's figures, but I did take one general statement about the figures, and I pointed out that when the Prime Minister said this government had done more than the previous government—before this bill, that is to say—that just does not happen to be so, as the minister's figures show. The increase that Mr. Harris made in 1957 was approximately \$100 million and, as the minister's own figures show, if he continued his