

*Dominion-Provincial Relations*

has been our contention across the years that the reason we should have federal-provincial tax-sharing arrangements is so that we could have a really united Canada, so that the wealth which is created in all parts of Canada, in the Atlantic area, in the prairie provinces and in the central provinces, might get back to Canadians in all parts of Canada on a level as close to equality as it is possible to achieve.

Let it be clear, Mr. Chairman, that that is not the Conservative position; that is not the position that Mr. Drew stated clearly time and time again in this house. The traditional Conservative position is that the provinces and the dominion have equal rights to these taxation fields, and that therefore they should be divided. In fact, when that position has been stated most clearly and most emphatically by provincial premiers, such as the premier of Quebec, this position of equal rights has been declared to mean a 50-50 division of tax revenues available in the various provinces of Canada. If that position is pushed to the limit it means that those provinces in which are situated the head offices of corporations are in a much more favourable position than are the other provinces of Canada. In other words, if that position is pushed to the limit, there is no question but that we do not have unity; we do not have equalization so far as Canadians as a whole are concerned.

I am doing my best to point out that at the centre of the arguments we have over this matter, in the centre of all the political cross-fire that has taken place as to the way this party voted or that party voted on a previous bill, has been this fundamental cleavage in the approach to federal-provincial fiscal arrangements. Is it simply a matter of dividing the fields, letting the provinces get what they can, which would be a lot in some cases and not very much in others, or is it a case of the provinces and the dominion getting together as responsible Canadian governments to try to share up on some basis of equality our tax revenues so that, as Canadians, we can all enjoy a decent standard of services and a decent standard of living. I say that across the years our position has been clear, and although the Liberal position has not been exactly as ours has been, we do appreciate the extent to which our position has been approached by the equalization formula which the Liberals produced in the last legislation on this point.

We would like to go further than the governments of this country have gone thus far, but at least we feel this should be made clear. The Canadian people should know whether the point that has been reached, the

[Mr. Knowles (Winnipeg North Centre).]

point of equalization, is going to be maintained and preserved or whether it is going down the drain in favour of the traditional Conservative position of simply dividing the field and letting the wealthy central provinces enjoy a high standard of tax revenue while the other provinces become the poorer members of the Canadian family.

I said a moment ago that rumours are now rather definite that an election is not far away. I confess that for some considerable time I have been making the prediction that it would come on April 14. I am afraid I am now going to lose my reputation as a prophet and it is going to be on March 31, which I suggested as an alternative to April 14, with dissolution only a few days away.

**Mr. Martin (Essex East):** I will bet you on that.

**Mr. Knowles (Winnipeg North Centre):** My hon. friend, the hon. member for Essex East wants to place a wager on it.

**Mr. McGee:** Will the hon. member permit a question?

**Mr. Knowles (Winnipeg North Centre):** Certainly.

**Mr. McGee:** What is the source of the hon. member's information?

**Mr. Knowles (Winnipeg North Centre):** Just go out in the halls and talk to anyone, talk to the newspaper men, and you will get more information on this point than you will get on the floor of the House of Commons.

**Mr. Fleming:** Could we come back to the bill now?

**Mr. Knowles (Winnipeg North Centre):** I am coming right back to the bill, Mr. Chairman. In fact, I am interested that on this day, a Wednesday, we are dealing with legislation. Normally, at this point in the session when there are so many estimates yet to be put through and not much legislation, the government arranges for its legislation to be discussed on Mondays and Tuesdays and it leaves the estimates for other days when a motion to go into supply is not necessary. It is an interesting point.

**Mr. Cardiff:** The hon. member is more interested in talking than anything else.

**Mr. Fleming:** May we come back to the bill now?

**Mr. Knowles (Winnipeg North Centre):** My hon. friends at least show their interest when references are being made to an election that is just about upon us.

My point, Mr. Chairman, is that this fundamental cleavage between the position of the