

One of the most unfortunate features of these agreements is that within a few years they will inevitably lead to bidding campaigns by various provinces against one another. What happened while this deal was being made? Manitoba came here and made a bargain. Saskatchewan and Alberta did the same. Then along came British Columbia, which got better terms than the others did. The original agreement with Manitoba provided for revision in case any other provinces made better terms with the dominion, and so there had to be further bargaining. That was a form of bidding by one province against another. The bill provides that if Ontario makes an agreement it will be entitled to a minimum payment of \$67,158,027; and if Quebec makes an agreement it will get \$56,382,127. Well, if I were opposing a government supporter in Quebec I would say: "Why should Ontario get 67 million dollars, when we get only 56 millions? Why should these two great provinces not be treated on the same basis? Why should Quebec be discriminated against to the extent of 11 million dollars?"

Hon. Mr. NICOL: The payments are based on population.

Hon. Mr. HAIG: I know that, but there are other factors besides population that could be considered. For instance, it could be contended that the larger number of children per family in Quebec makes it necessary to have more money for educational purposes in that province than in Ontario.

Ordinarily if I were running an election campaign in Manitoba and advocated the doing of certain things that would cost a lot of money the people would ask me, "Where are you going to get the money?" I would say, "If you elect me I will tax you in order to get enough money to do these things that I say should be done." They might reply, "We do not want you." But the whole situation is changed by the agreement, and now a campaigner who advocates large expenditures can say, "We are going to tax those rich plutocrats who live in the province of Quebec, particularly in the city of Montreal, . . ."

Some Hon. SENATORS: Hear, hear.

Hon. Mr. HAIG: . . . and those plutocrats who live in Toronto.

What I am going to say next may not be good politics. I think that if we are to have unity in Canada all the provinces must be consulted and all must participate in any agreements with the Dominion, so that a situation such as now faces us will not be allowed to develop again. I do not care whether my

province differs with me or not on that stand. I think that only through co-operation of all the provinces with the Dominion shall we be able to carry out these agreements successfully.

Hon. Mr. MURDOCK: May I ask the honourable gentleman a question? Does he still adhere to the prophecy he made the other day?

Hon. Mr. HAIG: Yes, I certainly do. And this will be one of the issues.

Hon. Mr. LAMBERT: May I ask the honourable leader opposite (Hon. Mr. Haig) a question? Does he consider that from the points of view of geography and economics the provinces of Ontario and Quebec are the real beneficiaries of Confederation?

Hon. Mr. HAIG: They probably are. But, you know, the farmer who lives a quarter-mile from town thinks he should not pay higher taxes than the man whose farm is five miles away. Ontario benefits from its geographical position, and so does Quebec. I presume my honourable friend has in mind the fact that but for protective tariffs, certain goods that are manufactured in this country would be brought in from the United States.

I may be quite wrong, but it is my opinion that 147 members of parliament will not give way to 108 members. It is said that Ontario and Quebec are miles apart, but on a question like this they are by no means apart.

I have said that in my own province the present proposals would be difficult to carry out because they require the taxing of one group of people to keep another group. The Sirois report hit the nail on the head when it said that the fiscal need should be the standard. No other commission ever appointed served Canada as well as that commission. A distinguished gentleman from my own city, who has since passed on, gave most outstanding service as one of its members.

The amount estimated by the commission for the fiscal need was 40 million dollars. I think that recommendation could have been carried out had it not been for the war. The wartime tax agreements of 117 million dollars whetted the appetites of the smaller provinces, and the federal government by the 1945 proposals jumped the amount to 138 million dollars.

Hon. Mr. LAMBERT: Would my honourable friend agree that the purpose of the suggestion in the Rowell-Sirois Report was to create as far as possible an equitable foundation under all the provinces by a redistribution of the wealth of the dominion?