

*Interim Supply*

governments, for not having studied them so as to come with some solution to the federal-provincial conference.

In his brief, the premier of Quebec makes on several occasions, a comparison with the priority needs of the federal government. But at this time, provincial needs have the priority.

A little further on, we find in this brief:

After the war, and for some ten years perhaps, the Canadian economy had to readjust itself to new conditions.

And looking at those comparisons between federal priority needs in wartime and provincial priority needs in times of peace, we realize that there is now a question of developing human capital in this country, which has been alluded to many times, and, today, the premier of Quebec, at least, seems to realize that there are some needs which come before national defence.

When the Prime Minister (Mr. Pearson) tells us about federal priority needs and about provincial needs, he should not forget that the war ended long ago and that there are now provincial needs which come before his own needs and before federal expenditures at this time.

Further on, the Prime Minister of Canada said that:

The discussions involved are not necessarily a matter of principle as there is agreement on the principle, but rather a matter of priority and possibilities.

It would be a good thing to know what really are the priorities. As I said earlier, we shall see that the provinces have much more urgent needs, which must come before the needs of the federal government.

Possibilities are also mentioned. But, Mr. Chairman, it is up to the Prime Minister and his cabinet to find the financial and economic possibilities to meet the country's responsibilities.

After all, it is the Prime Minister and his government who have control over the destiny of the country. In the field of agriculture at the federal level, in the field of national defence, or in that of external relations and, above all, in the financial field, it is the Prime Minister who is responsible for the destiny of Canada. Together with his cabinet, he must see to it that Canada develops a system which will make it possible for her to rise to our potentialities, to make—as it is often put—financially possible what is physically feasible.

In considering the results of the federal-provincial conference, one hears, and one reads headlines such as this:

Ottawa has granted \$87 million, out of which Quebec will pocket \$42 million.

On the face of it, it would seem that we are going to get half of these \$87 million. We read:

Quebec requests and gets half of the cake.

It thus seems that the federal government has yielded to Quebec's requests. I know that it is the impression one gets from such results. The other provinces get the erroneous impression that half of the pie has gone to Quebec.

I also notice—and this, to my mind, is a failure—that this conference runs counter to the current tendency, which is that Quebec should have its own taxation rights, its sources of income, in order to spend that revenue as it pleases. Quebec will spend what it collects. That seems to be the tendency in the province of Quebec. But what does Ottawa do? Ottawa keeps on taxing as before. Ottawa taxes, gives to the provinces and the provinces do the spending, but always through Ottawa.

The province of Quebec, as well as the other provinces, still appears to be a beggar, coming to Ottawa hat in hand. Ottawa continues to control income sources, to tax, to give to Quebec money which the latter can only spend according to the stipulations laid down by the federal government. It is still the old system, a system which the President of the Privy Council (Mr. Lamontagne) has called co-operative federalism. But what does it mean in fact? It means a centralizing power of control. Ottawa controls revenue sources, Ottawa controls taxation and, when it pleases, Ottawa relinquishes part of it to the provinces, which, willy-nilly, must make the best of a bad bargain.

Mr. Chairman, I should like to discuss another aspect of that federal-provincial conference. Ten provinces are brought together at a round table. The ten provinces come with various requests, various needs, and when they are finally set at variance, it is a good opportunity to tell them: "You do not agree." That situation is invoked to turn down the requests of the ten provinces. In fact, having set them at variance and having placed them in difficult circumstances, advantage is taken of that fact to give them practically nothing.

That is no way to solve problems between Ottawa and the provinces. I think that each province should settle its problems with Ottawa. At this time, Quebec has a justified claim. The problem of the province of Quebec should be settled with that province alone, not with the nine other provinces, whose problems could be settled later on. The problems of Ontario, British Columbia and Prince Edward Island are not the same as those of the province of Quebec.