

for nothing, because the people are going to have to pay. The day of payment may be put off, but it will arrive sooner or later. It may be that the Government is prepared for deficit financing. But deficit financing cannot go on for ever; the day for payment will come. Although I am going to vote for this bill, I do so with regret, feeling that we should have more information.

I agree with the honourable senator from Toronto (Hon. Mr. Hayden) that there is no purpose in sending this bill to a committee. If it were sent to a committee, the question I would ask is, "Have we got the money?" But if the Minister of Finance was not able to answer the question in the other house, I am sure we could not get an answer here.

Honourable senators, in closing I wish to say that although this money is going to the provinces, neither the provinces nor the people are getting something for nothing; some day we are going to have to pay.

Hon. Austin C. Taylor (Westmorland): Honourable senators, I wish to say only a word or two and to ask a couple of questions in connection with the bill. I regret that my voice will not permit me to speak so that I can be heard by all.

I should like also, Mr. Speaker and honourable senators, to express my regret at being absent yesterday when the Agricultural Stabilization Bill was considered. I did want to speak on it, but sickness overtook me during the weekend, and it was not possible for me to be here. Perhaps I should not be here today.

I should like to express my views with respect to the tax rental agreements. First of all, may I say that I am one who agrees with the principle of the tax agreements. The honourable Leader of the Opposition (Hon. Mr. Macdonald) said a few moments ago that one of the purposes of this bill is to try to equalize the income of the various provinces across Canada. I think we will agree that the present tax rental agreements do to a degree equalize the per capita income, or the conditions which permit the income of certain provinces to be more on a par with that of the wealthier provinces.

The sum of \$25 million which will be voted by the first part of this bill will assist in bringing up the Maritime provinces to the average per capita income across Canada; it will at least bring it up closer to the average, or, in any event, will be some help in doing so.

Let me say this with respect to the industrial central provinces, that we must not forget the fact that the Atlantic provinces and some other provinces are contributing to their wealth. Almost everything we in the

Maritime provinces buy is manufactured in Quebec or Ontario, and thus we contribute to the wealth of these provinces.

The tax rental agreements probably did not go far enough. They were an attempt to equalize the share of wealth among those provinces—probably I should not call them "have-not provinces"—which have not found it possible to share to the same degree as some other provinces in the economic development of the country.

Having said that, I should like to ask one or two questions. First, on the basis of this grant to the Maritime provinces of \$25 million—made up of \$7½ million each to New Brunswick, Nova Scotia and Newfoundland, and \$2½ million to Prince Edward Island—was it the result of any formula or principle on which the Government can hang its hat, or was it just a figure that was pulled out of the air which represents an amount that might be satisfactory to the Governments of those provinces?

My second question may have been answered by the honourable senator from Toronto (Hon. Mr. Hayden). It is with respect to the second clause of the bill, which refers to the fiscal year 1958-59. Am I right in assuming that the payments will begin in the fiscal 1958-59 and continue indefinitely, or does it cover only the fiscal year 1958-59?

Hon. Mr. Haig: In answer to the first question asked by my honourable friend, I may say that was just the estimated amount that the Government ought to give. It is purely an estimate.

On the second question, the grant is for the fiscal year 1958-59, which starts on April 1, the date on which all the agreements start. The Prime Minister has promised that there will be a conference within the year, so before the year ends the matter can be fairly settled.

Hon. Mr. Robertson: My honourable friend the Leader of the Government did not answer the question as to what formula was used to arrive at the amounts being contributed to each province.

Hon. Mr. Haig: I understand it was by negotiation with two of the provinces—my friend's province, and one other—and perhaps all four of them. That was the amount estimated to be a fair contribution, considering the whole situation.

Hon. Mr. Taylor (Westmorland): May I ask the honourable leader whether the amount of \$7½ million to be paid to New Brunswick is the result of negotiation with the Government of that province, and whether that Government is satisfied with this amount?