

upon what it was we wanted done and then discuss the financial arrangements to carry it out. I think that illustration has some force because, after all, the federal government has no rights or powers of its own. Governments derive their powers from the people; to that extent our governments exist only as trustees for the Canadian people, and the federal government is there also as a trustee of the provinces. Certain powers were given to the federal government in 1867 and certain powers were retained by the provincial governments, which surrendered some of their rights to the federal government. If we approach the question in that attitude, that it is a trust we are trying to arrange for our mutual benefit and that we must agree on the terms of the trust before we settle the financial details we shall, I believe, be able to make progress.

Secondly, I suggest that the dominion government has been too uncompromising since the conference broke down last May. I do not ask the house to accept my own words for that. I should like to read the words of the Prime Minister (Mr. Mackenzie King) in answer to a question asked of him by the leader of the opposition (Mr. Bracken) on March 17. The point I am making is that the dominion government is now insisting upon all provinces concluding financial arrangements with it before it will continue the discussions on other matters. That attitude was expressed clearly in the words of the Prime Minister on March 17 when he was asked if he would reconvene the conference. In reply to that question he said that the dominion government felt there was no point in reconvening the conference until the financial proposals had been accepted by the provinces. He read from a telegram which he had sent to the premier of Saskatchewan as follows:

As soon as there is a sufficient acceptance of the proposed tax agreements we shall be ready to explore in a general conference or otherwise the possibility of working out mutually satisfactory arrangements in regard to the whole or any part of our earlier public investment and social security proposals.

The ACTING SPEAKER (Mr. Golding): Order. I must remind the hon. member that his time has expired.

Mr. FULTON: I have just one or two sentences and I shall conclude. The Prime Minister concluded by saying:

The conditions set forth there have, in the mind of the government, not as yet been fulfilled.

That is surely indicative of an uncompromising attitude, which insists that until these proposals are accepted, we shall not have any further discussion.

Thirdly, in actual fact, Mr. Speaker, there is no reason, even though the financial proposals have not been accepted, why the conference should not be reconvened, because the Minister of Finance's statement this year, as reported at page 2561 of *Hansard*, was to the effect that it would cost us \$110 million more should the non-signing provinces sign the agreement. Here it is significant to remember that the reduction in income taxes this year is exactly \$110 million. Furthermore the great tax fields, the corporation and personal income taxes, are as vacant as though the provinces had signed the agreement, because they have not imposed or reimposed these taxes to any greater extent than they could have done even though they had signed the financial agreement held forth by the dominion government. Therefore the tax fields are still as clear as they would be if the agreement had been signed. Consequently there is no financial reason why the dominion government should not proceed with the discussion of its social security, public health and public investment programme.

Furthermore, I suggest that it is too expensive to do it in any other way, because actually the taxpayers are paying \$100 million more (again according to the minister's statement at page 1841 of *Hansard*) as a result of the agreements which have been signed, than if no agreement had been signed, and yet we have not advanced one step farther along the road to solving our problem in regard to social security, public investment and public health. Although the agreements have been signed and involve the expenditure of \$100 million, these problems have not been settled; therefore surely it is obvious that the conference must be reconvened. It is too expensive financially not to reconvene it. There is no financial obstacle arising from the fact that all provinces have not signed. Surely then, it is too vital, too important to the spirit and the very framework and lifeblood of confederation to permit the problem to remain any longer unsolved. Surely it is in the best interests of Canada that the conference be convened again and these pressing problems finally settled.

The ACTING SPEAKER (Mr. Golding): Order. The hon. member's time has expired.

Mr. MAXIME RAYMOND (Beauharnois-Laprairie) (Translation): Mr. Speaker, the budget speech has given rise, this year as in the past, to many and varied appreciations. For my part, I wish to make a few remarks and express my views on certain subjects.

In the first place, let me draw the attention of hon. members to the tremendous debt of