

The Address—Mr. Paul

works program will score a greater success than ever before. This year, the federal government has expanded this program, and the new municipal projects will reduce unemployment, since the program is expected, directly or indirectly, to provide over 200,000 new jobs during the winter, thus substantially alleviating seasonal unemployment in Canada. This is apart from the administrative action taken to boost housing construction, something which, according to estimates, should provide employment for some 60,000 workers this winter.

On October 21, following the conference on unemployment, the Prime Minister announced that a national productivity council would be set up. The speech from the throne points out to the institution of legislation that should greatly contribute to solving the unemployment problem.

The speech from the throne announces legislation designed to provide better technical training for young workers and more retraining of Canadian workers who have to transfer to other jobs or trades.

The house will be asked to approve a bill authorizing government guarantees for bank loans to small businesses to finance additions and improvements to their business premises and equipment. This legislation should provide additional new employment and a stimulus to the growth of Canadian private enterprise.

(Text):

Mr. Speaker: Order, I am sorry to have to interrupt the hon. member but I am obliged to advise him that his time has expired unless the house is prepared by unanimous consent to grant indulgence.

Some hon. Members: Agreed.

(Translation):

Mr. Paul: Nation-wide works projects will be started in order to develop our natural resources. Those are so many measures considered by the government to relieve the present serious unemployment problem. The question of unemployment will be discussed during this session and I hope that all criticisms made will be constructive, with a view to alleviating the hardships of our people and not to making political capital. Everyone's co-operation is needed and with this anticipated co-operation, there is reason for hoping that chronic unemployment will be checked to a great extent.

[Mr. Paul.]

I would be remiss not to mention the improvement in federal-provincial relations. Subsidies paid to provinces have increased constantly since 1957. Those grants were 57 per cent higher in 1959 than under the last Liberal administration.

Who solved the problem of the Quebec universities, if not the Conservative government? Last July there took place in Ottawa a federal-provincial conference setting the basis for frank, straightforward discussions of the whole problem of taxation. The statement of the point of view of the provinces warranted the adjournment of the conference to October last. We must admit that, since the Conservative party came to power, relations between the federal government and the provinces have taken on an entirely new aspect. The autocratic spirit which marked the post-war stage has been dispelled. The provinces are now allowed to express their opinions, and are no longer considered as vassals. It is in this spirit that the proposals of the Prime Minister of Canada were made last October.

Trying to give back to the provinces their own powers of taxation, letting them make arrangements between themselves about their needs in order to set an equalization formula; seeing that the federal government ceases to be the collector of taxes which it cannot use or control, here is a democratic policy which goes back to the fundamental principles of the Canadian confederation. Such is the philosophy of the Prime Minister who, incidentally, is not alone in taking this view.

Sir Wilfrid Laurier used to say:

It is a completely false principle to have a government collect the revenues and another government spend them.

The Hon. C. H. Cahan, secretary of state in the Bennett government said:

(Text):

I have always believed that dominion-provincial relations will only be placed on a stable basis when the provincial government is made responsible for raising the revenues which it annually expends.

(Translation):

The Prime Minister has always been concerned with the unrestricted respect of the Canadian constitution, and he has been the first to point out the necessity of repatriating our Canadian constitution; on page 121 of the French version of the report of the federal-provincial conference held in Ottawa on July 25, 26 and 27, 1960, the Prime Minister stated:

I raised this matter in the House of Commons last January and I said, in particular, on page 69 of *Hansard*: