

*Dominion-Provincial Relations*

principle of equalization in the 1958 amendment to this legislation; we extended it again by the 1959 amendment and we are extending it again by this amendment which is now before the house. We have nothing to learn from Liberals opposite about the equalization principle or about meeting the needs of the provinces and improving their fiscal positions, because we did something to meet those needs and have done more than any Canadian government in history has ever done.

I am always interested in questions of timing on the part of the opposition. I found something very interesting with regard to the timing of their deliverances on this subject. On March 18 the resolution in anticipation of this measure was moved and it was known to hon. members opposite that the provision for increasing from 10 per cent to 13 per cent the provincial share of the yield from the personal income tax would expire at midnight on March 31. I had hoped that we would resume debate on the resolution the following week and I did make that suggestion to hon. members opposite.

For reasons which to them appeared adequate they did not wish the debate to be resumed at that time and consequently it could not be resumed until April 1 and on that day the resolution was passed. But it was well known to them at that time, indeed it had been a matter of agreement between parties in the house, that the balance of the period up to the date of the Easter adjournment would be fully occupied with the debate on the budget. So the provinces in the meantime dropped back to the 10 per cent share of the personal income tax and it will not rise again to 13 per cent until this measure becomes law.

However, that was not the matter that seemed to concern hon. members opposite. I seem to find another purpose in their timing effort in this regard, for I find that while any attempt to advance the measure further had been effectively precluded by the position they had taken before Easter, the Liberal leader in the province of Quebec—

**An hon. Member:** Who is he?

**Mr. Fleming (Eglinton):**—Mr. Lesage on April 13 delivered himself of his views on this measure. There, I think, is an interesting matter of timing because hon. members opposite timed their attitudes on this measure in such a way that the resolution would be passed and the bill would be introduced before Easter, but the bill would not be advanced to second reading and they would not have to take their positions, and in the meantime Mr. Lesage, having seen the bill, delivered himself of his opinion on the bill.

[Mr. Fleming (Eglinton).]

In a report coming from the city of Quebec, which is printed in an article in the *Globe and Mail* of April 14, appears the following:

Liberal leader Jean Lesage said today that he will denounce the current federal-provincial agreement on the financing of university grants if his party takes power at the next general elections.

Very interesting. Yet the same party is going to vote for this measure on second reading in this chamber tonight. The report proceeds:

Mr. Lesage said that the right given in the bill to the federal Minister of Finance to approve any arrangement between the provincial government and the universities constituted a most dangerous precedent in the field of provincial autonomy.

In addition, the fact that Quebec would have to return the difference between its 1 per cent increase in corporation tax and the grants authorized—\$1.50 per head of population—to the federal treasury meant that the federal government was "deciding on the use of a tax which the province was imposing for purely provincial purposes..."

Mr. Lesage said that this policy of federal-provincial fiscal relations would constitute a major theme of the Liberal campaign during the next two months.

I find it very interesting that hon. members opposite evidently did not wish to be called upon to take a position in this house on second reading of the bill until after Mr. Lesage had delivered his views on the bill in the province of Quebec.

It is perfectly evident that when the hon. member for Laurier spoke on this measure in this house on April 26 he was speaking in accord with the views expressed by Mr. Lesage to which I have just referred. That is why I say that a grave injustice has been done to him when his leader chose to repudiate him when he spoke in this house on April 5. It is evident that hon. members opposite were waiting to take their lead from Mr. Lesage. They waited for his signal, they received his signal, and I think the result has been a sacrifice on the part of a once great party of self respect in the way they have gone about announcing their position in this matter.

I shall have something further to say about the speech made by the hon. member for Laurier. He laboured so hard to establish some respectability for what he called the St. Laurent formula. I will call it the Liberal formula as reflected in the federal-provincial relations and the university grants legislation when we came into office. To try to give that formula some measure of respectability he did his best to tie us, the government, up with it as though we were approving him. He read some portions of speeches I made in the house previously, but, believe me, he was very selective in his treatment of my previous utterances in the