

Dominion-Provincial Relations

amount be paid? Will it be paid to the province on a monthly, quarterly or half yearly basis?

Mr. Fleming: That is a matter to be determined by regulations under the act, but presumably it will be monthly.

Mr. Stick: What is the usual way of paying up to now?

Mr. Fleming: These payments are all made monthly now under the act being amended by the present bill.

Mr. Martin (Essex East): The payments are made quarterly, are they not?

Mr. Fleming: Monthly.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, there is one precise question, although it may take me a few minutes to lay it before the minister, to which I think we are entitled to a clear-cut answer. May I first of all remark that it is a matter of passing interest to me that the Minister of Finance has brought before the house two measures which, though related, are quite distinct. Yet he has not only included them within the compass of one bill but within the compass of one clause in that bill. When the Minister of Finance was on this side of the house he used to complain when the former government did things in this way.

Mr. Fleming: No, no.

Mr. Knowles (Winnipeg North Centre): However, not a great deal turns on it. Well, if the Minister of Finance did not offer such complaints, certainly other members of his party did when several matters were included within one bill or within one clause.

Mr. Fleming: If my hon. friend will permit me, what he is speaking about now is a bill that purports in its various clauses to amend different statutes. That is a different matter altogether from what we have here. Here we have one clause which adds two sections to the one act being amended by the bill.

Mr. Knowles (Winnipeg North Centre): In principle there is no difference—

Mr. Fleming: There is a big difference.

Mr. Knowles (Winnipeg North Centre): —but I will not pursue the point. The minister knows that he has also objected in the past to more than one amending clause being included in the one clause in a bill as in the case of the clause now before us.

Mr. Fleming: No, not at all.

Mr. Knowles (Winnipeg North Centre): However, Mr. Chairman, I propose to address my remarks and my question mainly to that part of clause one which adds a new section

12 to chapter 29 of the statutes of 1956. This is how the new clause will read:

In its application to the fiscal year commencing on the 1st day of April, 1958, paragraph (f) of sub-section (1) of section 2 shall, for the purposes of this act and any tax rental agreement, be read and construed as if for the words "ten per cent" therein there were substituted the words "thirteen per cent".

The minister has made it perfectly clear in his remarks that this is an interim arrangement and the wording of the clause confirms the minister's position that this is an interim arrangement. The reference to 10 per cent is found in section 2 of the act, namely the interpretation or definition section. The minister is not by this amending bill changing the definition or interpretation section. It remains as it is. He makes it perfectly clear that this change is just a temporary change for the year from April 1, 1958, to March 31, 1959.

I submit, Mr. Chairman, that that makes it crystal clear that something more, something by way of this same change or another one, will have to be made before April 1, 1959. What we have at this moment is a government which, according to all reports, is just about to go to the country,—apparently it is only a matter of days—but which is refusing to tell the House of Commons or the country what its real position on any long-run basis is going to be so far as federal-provincial tax sharing arrangements are concerned.

A great deal was said about this matter in the election campaign of last year. The Conservatives made the point that they would produce a change. In fact, they have said since the election campaign that there would be a different kind of deal under the Conservatives than was obtained under the Liberals. I submit, Mr. Chairman, that it is most unfair to the country for the government to think of going to the country in another election without having made clear what it really proposes to do regarding federal-provincial fiscal arrangements.

This is an arrangement just for the year. The real, true blue Conservative policy regarding federal-provincial fiscal arrangements is yet to be made known.

There is a divergence of opinion, Mr. Chairman, on this matter as between the Conservatives on the one hand and ourselves on the other, although I must say that a similar divergence exists between the Conservatives and Liberals. We have taken the position across the years that the purpose of federal-provincial tax-sharing arrangements should be to modify the economic structure of this country which, when left to itself, results in a concentration of the tax revenues in the central provinces and leaves Canadians in other parts of Canada at a disadvantage. It