

National and Regional Economic Planning

During the same period of time, federal authorities have laid the foundations for significant and co-operative economic planning on both national and regional levels. We have given a new impetus to ARDA that will doubtlessly contribute largely to agricultural development of the Province of Quebec. We have established a federal Department of Industry and an agency for the rehabilitation of depressed areas, both of which are already working in co-operation with the provincial governments. Finally, the Economic Council of Canada, our central planning agency, maintains useful contacts with the Quebec Economy Advisory Council and similar agencies in other provinces. All these new institutions are getting ready to take an active part in the formulation of economic policies, imbued with the spirit of co-operative federalism. Even if the essence of co-operative federalism boils down to the notion of interdependence, of consultation and of the co-ordination of certain important governmental policies, it also has other characteristics that must be recognized. Therefore co-operative federalism should be associated with the conception of decentralization.

The provincial governments have considerably improved the quality of their civil services in recent years; they are thus in a better position than ever to discharge their own responsibilities. Furthermore, there is greater willingness to assume them. In this respect, Quebec does not run counter to the general trend; on the contrary, it is giving impetus to the movement. Finally, it cannot be denied that the provinces must have greater revenues and that, under the present circumstances, there are priorities on certain of their responsibilities.

These and other factors indicate clearly that a tutelary type of federalism is now outdated and that co-operative federalism based on consultation and co-ordination among equals is impossible without decentralization. This is a condition prerequisite to the establishment of the new federalism. What have we done in this respect during the past year?

Achievements of a Twelvemonth

First, we have promoted equitable and decentralized fiscal policy. As early as November of last year, by restoring the principle of equalization, we have redressed the injustice done to Quebec and other provinces in relation to Ontario in 1962. In addition to the exclusive share of succession duties due to the provinces was raised from 50 to 75 per cent. Under an agreement reached last April, the provincial share of personal income tax will increase 2 per cent in 1966-67. Finally, we have granted Quebec another 3 per cent this year as compensation for the extension to Family Allowances, a programme that had already been effected in the provinces. What do all these changes mean in terms of additional revenue for the provinces, for Quebec in particular? If we take into account the extension of the technical-training programme, our province will