

Finance (Mr. Gordon) on June 13 last and to an excerpt of the famous book written by the President of the Privy Council (Mr. Lamontagne). I regret that the latter is not here this afternoon, because I should have liked to put certain questions to him and to ask him to give us his impressions of the results of the federal-provincial conference.

Here is what the Minister of Finance stated in the house:

The federal government has a special responsibility in the matter of ensuring adequate production and employment throughout our country. Fiscal policy is an important means of achieving this objective. Most people will agree, I am sure, that if the federal government were to give up a major part of its present revenue sources, even in exchange for compensating expenditure adjustments, its ability to exert an influence through fiscal policy over the level of economic activity in Canada would be weakened.

As for the President of the Privy Council, in his book entitled "Canadian Federalism", he said:

The doctrine that defines federalism as a form of political unification where sovereignty is shared by several governments having their own and exclusive sphere of jurisdiction is therefore not acceptable.

I wish to emphasize.

"therefore not acceptable".

That is from page 246 of the book written by the President of the Privy Council.

It is therefore the participation of all governments in the main responsibilities of the state which must become the general rule. (p. 248)

And on page 264, the President of the Privy Council concluded:

Consequently, central government subsidies to the provinces seem unavoidable at this time and strongly in line with traditional politics in Canada. The tax agreements system designed to solve the provinces' financial problems is one solution based upon federal grants.

Mr. Chairman, we, on this side of the house, agree that the federal government undeniably has responsibilities, but the fact remains that the provinces also have responsibilities.

Members on the government side often speak of priority needs and that is why I regret that the President of the Privy Council is not here.

I would be most happy if the Secretary of State (Mr. Pickersgill) were to give us the list of the federal priority needs. If such a list were given to the house by the present government, it would make for more orderly discussion at the next federal-provincial conference. Knowing the central government's needs, the provinces would know what direction to give to their discussions and that would surely contribute to the success of future federal-provincial conferences.

[Text]

Mr. Pickersgill: Mr. Chairman, I think I should answer the hon. gentleman's question right now. I think the needs are exactly the same as they were a year ago when he was a fervent supporter of the government of the right hon. gentleman.

Mr. Pigeon: I will answer this question, Mr. Chairman.

[Translation]

Mr. Chairman, when we were in power, the provinces had recovered a great part of their taxation rights. Unfortunately, the opposition parties did not leave us enough time to go on with our work. Nevertheless, I may assure the house that we decentralized taxation powers, and we never heard as bitter a criticism from the provinces, as was recently voiced by some premiers.

Mr. Chairman, it must be admitted, as I said before, that the provinces have essential needs. Now, apart from being essential, those of Quebec probably have some priority, because the province has a different culture and language, and, therefore, different needs.

To my mind, though it is important for the other provinces to have their own taxation powers it is still more so in the case of Quebec, because the province dislikes being told by a central government, which is to a great extent Anglo-Saxon, what its cultural, educational and other needs should be.

I think that this is an unsound procedure, and if we really wish to reach agreement at the national level, the province of Quebec should look after the fields under its jurisdiction. Therefore, Quebec is sensitive when the federal government tries to impinge upon the educational field, because the federal concept of the problem, or rather the federal mentality, is certainly not in accord with the Quebec mentality.

Of course, I know that other provinces look favourably upon agreements concerning joint plans. I can understand that attitude, because people in those provinces are mostly English speaking, and, therefore, in agreement with the attitude of a largely English speaking federal government. But what the province of Quebec wants, for instance, are its own sources of revenue, because it objects to a mostly Anglo-Saxon federal government's looking after its culture and educational needs.

As I said before, Mr. Chairman, it is unfortunate that during the last federal-provincial conference, the central government should only have given some scraps to the provinces. Indeed, I would say that the conference has been a failure.