

*Dominion-Provincial Conference*

has no jurisdiction. In accordance with the present constitution, it should hand over to the provinces the powers of taxation which rightly belong to them, that is personal income tax corporation income tax and estate taxes. The provinces would then be able to assume their responsibilities and to build a society to their image.

Federal government action in fields which are the responsibility of the provinces has become impossible and is the source of constant conflicts.

The Ralliement créditiste favours negotiations between the federal government and provincial governments, with a view to drafting the basic documents which will be used to set up a new constitution.

This morning, the Prime Minister asked us to make suggestions. But we have been making suggestions for a long time now, only not many of them have been put into practice. Here is what the chamber of commerce of the province of Quebec is suggesting, as an answer to our constitutional problems.

It is federalism which offers to French Canadians the best opportunities to organize their economic life. However, the kind of federalism we have known until now should be changed:

(a) the constitution of Canada (the British North America Act) should be amended or re-drafted in order to clearly define responsibilities at every level of government, to allow every level of government to levy taxes according to its needs and to provide for a machinery which would prevent efficiently trespasses of jurisdictions—

From various governments.

(b) Taxation policies of federal as well as of provincial governments should be reached only after consultations, these should take place at the official level and on a permanent basis.

However, at the last federal-provincial conference, the right hon. Prime Minister was the target of several attacks, because the federal government had interfered on several occasions in the affairs of the provinces, through implementation of several of its programs.

• (3:00 p.m.)

And I go on with the statement of the chamber of commerce of the province of Quebec.

(c) Monetary and tariff policies of the federal government must be set up in consultation with the provinces and those consultations must be official and permanent.

Here is also what the chamber of commerce of the province of Quebec states, and I consider this to be a lever to bring about our economic expansion, from the federal and

provincial point of view, regarding the responsibilities, and I quote:

(d) The Bank of Canada should facilitate the financing of the provinces and, through the latter, the financing of municipalities and school boards.

Then, after the Creditists have made their views known for several years in the house or outside—the chamber of commerce finally came out with one of the main recommendations Creditists have never stopped making, namely to use the Bank of Canada to relieve financially the provincial governments, municipalities, school boards or the various public bodies. And I go on:

4. French Canadians must be convinced that their self-achievement depends basically on their leadership in all fields of economic and social life.

5. English-speaking people in Canada must show that they accept fully French-speaking Canadians as partners and not hamper their access to executive positions, either in the public or in the private sector of the economy and administration of the country. It is mainly a question of attitude which manifests itself in concrete everyday actions at the government or corporate level, regarding spending policies, professional services, promotion, advertising and so on.

Mr. Speaker, that is what the Chamber of Commerce thinks about our constitutional problems today. For years everyone has been blaming, and rightly so, the central government, the federal government, because of its centralization, because it intrudes, too often, unfortunately, without consultations, in provincial matters.

But, in time, more than one villain may be discovered. We can also blame some provincial governments, like the Quebec government, for instance, who enter into agreements, and then, afterwards, cry for autonomy. Quebec needs money, probably more than all the other provinces. However, it still allows the federal government to levy taxes, and then hopes that they will be handed back by Ottawa.

The provincial governments of Quebec and of the other provinces, have, since July 17, 1947, according to chapter 58 of the revised Statutes of Canada, signed agreements, and I quote:

Dominion-provincial tax rental agreements:

An act to authorize the government of Canada to enter into agreements with the governments of the provinces pursuant to which, in return for compensation, the provinces agree to refrain from levying certain taxes for a limited period.

That act was approved on July 17, 1947. At the time, it was a rental of provincial taxation powers to the federal government. That rental by the provinces of their own fields of