

sometimes a time lag of six months. This is much too long. We are always caught in the maze of the federal administration."

That is what the Quebec Minister of Finance said, Mr. Speaker.

I continue the quotation:

It was while replying to the audience's question in the presence of federal Industry, Trade and Commerce minister Jean-Luc Pepin that the Quebec minister made this charge against Ottawa.

Cornered from every quarter, the minister had just admitted that his government had proven its inability to work out a practical industrial policy for Quebec or even for the whole of Canada.

In replying, Mr. Garneau pointed out that Quebec was not alone in airing its grievances but that such a feeling was increasingly shared by all provinces which are putting a mounting pressure for the elimination of the unbalance which "the population refuses to accept any longer."

But federal minister Pepin was not through with his troubles. Following the intervention of the Quebec Finance Minister, former federal government minister Maurice Sauvé launched another attack.

"The big mistake is that the federal government never did accept that Canada is not a unitary country, but a country with five different regions", he said.

"That is a fundamental problem which has never been solved and as long as they will not adopt selective policies, there will be tensions and contradictions. I submitted those problems to the government, but they never were prepared to admit it", Mr. Sauvé added.

Finally, Mr. Garneau indicated that his government was advocating a revision of the means of stabilization at both the level of federal government expenditures and the level of such institutions and organizations as the Industrial Development Bank and the Central Mortgage and Housing Corporation. The government, he said, is considering the introduction in the next tax agreements of a new automatic stabilizer which is the cyclical stabilization fund. That stabilization would enable the Quebec government to have sufficient resources available to undertake investment programs which would have priority and would also be located in some regions.

However, if the provinces are not satisfied with the federal government, the municipalities are not happy either about the treatment they are getting from the provinces. Evidence of this is the criticism addressed by the Quebec Union of Municipalities to that provincial government in May 1968. This is what the reporter Claude Masson stated in *La Presse* on May 27, 1969:

The municipalities no longer want to be spoon-fed like babies by the Quebec government. On the contrary, they want to be considered like adults and given a reasonable share, a bigger share.

Thus, the Union of municipalities has just made a formal application to Quebec to set aside the "sop" allocated to municipalities in the last provincial budget in favour of permanent provisions to improve the financial situation of urban centres and rural municipalities throughout "la belle province".

The Union of municipalities, whose reaction is supported by a brief submitted to the government a few days ago, on the subject of municipal taxes concerning municipal-provincial relations, not only calls for permanent provisions, but suggests what these could be.

The Quebec Union of municipalities reiterates its key suggestion, creation of a standing provincial-municipal fiscal committee, which the organization believes is the essential instrument of a structure to ensure an equitable distribution of sources of income, and responsibilities between the two levels of government.

The municipal organization headed by the mayor of Montreal North, Mr. Yves Ryan, also claims that "the only

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remedy for the situation is to accede to our long-standing request for phasing out school boards from the property tax field, which should be left to municipalities." In return, the Union of Quebec Municipalities recalls that it has already offered to preserve for the government the revenue from the sales tax which it could use in its tax and budget reforms. Most if not all the sales tax yield could be used to finance education.

But the municipalities want to go further still and at its convention in Saskatoon in June of last year the Canadian Federation of Mayors and Municipalities requested the right to participate in constitutional conferences and put forward rather convincing arguments.

Federation president Allan O'Brien stated on that occasion, having accepted this office:

In my opinion, we must first of all have the provinces and the federal government recognize our right to be consulted on all issues concerning the territories under our jurisdiction and also of interest to the federal government. I think we should have this right to consultation recognized before we express too definite demands for changes in the Constitution other than this right to consultation.

In short, the Canadian Federation of Mayors and Municipalities requests the right to participate in every aspect of Canadian life and, particularly, in the drawing up of a new Canadian constitution that would take into account the financial and fiscal needs of all levels of government. Here is what the representative of *La Presse* wrote in this connection on June 16th, 1971:

To date, provincial governments have not yet recognized the municipalities as their equals: they still maintain that they are merely their creatures, "their offsprings". Still, there will be a tri-partite conference, on October 16th next apparently at which the three levels of government will be called upon to exchange ideas.

Municipal representatives want to be recognized in a "new Canadian constitution". When the Canadian Federation of Mayors and Municipalities studied the 52 or so resolutions on the order paper of the convention Tuesday morning, the general assembly adopted a resolution asking the government of Canada and the provincial governments to recognize the role of local administrations in the management of public affairs.

The resolution goes even further and asks those same governments to consider the municipalities as their equal partners in the drawing up of a new constitution.

• (1210)

For municipalities, as well as provincial governments and the Federal government are faced with financial problems that become insoluble as long as we cling to present day solutions.

The following is a letter sent to all hon. members by the secretary general of the "Union des conseils de comté" of the province of Quebec, on June 14, 1969:

Dear Sir,

We have sent to all members of the Assemblée nationale an excerpt of our annual brief presented to hon. Jean-Jacques Bertrand on March 26 last, as well as a study prepared by the firm Cliche and Associés Limitée. Copies of these documents are herewith enclosed.

We humbly submit these documents so that you may appreciate the problem created by the sale of bonds by municipal and school corporations.

This problem is national in scope and all provinces are involved. We submit these suggestions to you and we expect your valuable