

says that more taxes are required, that he needs more money in addition to control over the taxation field, while the premier of Quebec suggests that expenses have increased and that he needs more money. We just wonder, as pointed out by our leader this afternoon, which of the two will dig the most in the taxpayer's pockets.

While the premier of Quebec calls federal government a centralising organization and charges that it will not share the cake, I wonder what he is thinking in his innermost heart when he knows what has become of this famous taxation affair. I believe this is a story that we will soon have to tell to the population, for a drama is being enacted under this pretext and this must be brought to light.

Why is the federal government taxing today? Everyone remembers that these taxation powers were granted after World War II, when the provinces unanimously agreed to turn over to the federal government their three fields of taxation: personal income tax, estate tax and corporate income tax. These three areas were in a way, the provincial property taxes. It was a great sacrifice for the provinces to give up these taxes. But when the federal government of the time requested this of the provinces, solemn assurance was given at the same time that as soon as the war was over, it would turn back these three fields to the provinces...

The war has been over for quite a while and the federal government's word is worth less every day. The government had assured the provinces that they would get back their right to taxation as soon as the war was over. We are still waiting for the war or the taxation to come to an end.

The most astounding thing about it is that the federal government does not stand as the sole culprit. Since I came to the House, I have learned that the federal government must go to the provinces every five years to beg for an extension of its right to keep on taxing people. We have been witnesses to this ceremony in 1963 and again in 1968 when we asked the government what would happen should one of the provinces refuse to grant it permission to keep on collecting the proceeds of the three areas of taxation. In fact, it was said that the unanimity of all the provinces was needed, and that if any one province did not agree, the federal government would be refused the right to tax. That is precisely what we find most peculiar today to hear a province saying to the federal government: Give us back our taxation right. This is what we have done ourselves.

Now it is precisely the ministers of each of the provinces who give that permission to the federal government every five years. This drama is tragic for the people, because they are not aware of the fact that it is the provinces which give that permission to the federal government every five years. Then what about our provincial premiers who say on television: If only the federal government would give us back our taxation rights. Yet hardly 15 days earlier, they had just surrendered those taxation rights, again for five years. This scorning the people must stop. They should be told the truth, and the provincial premiers should tell their voters: We are the

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ones who gave the federal government taxation powers. This way, one could probably less easily accuse the federal government of being centralization-minded, because when you concede a right to someone, you cannot accuse him of usurping it. This is precisely the point to which I want to draw the attention of the population today, this joke to which there will have to be an end very soon. On page 3, *Montréal-Matin* says and I quote:

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He should start by putting the vote at the right place and things would be clearer.

My second point has to do with the raising of the basic exemption. The cost of living goes up at an unbelievable rate and we have asked the present government to raise the basic exemption for income tax purposes only to be told no systematically. The cost of living has just reached almost 132 per cent and the basic exemption for a married couple still remains today at \$2,000 or \$1,000 for each person, as it was over 10 years ago. Is it possible to find a more illogical situation? The minister told us a while ago that the new budget would offer some pleasant features. I feel quite apprehensive in that respect. We are expecting at the most a \$1,500 or \$1,600 exemption, which means hardly an increase. If we take into account the date of the last increase in the basic exemption, we can hardly speak of a real increase.

We are requesting a basic exemption of \$5,000 for married couples and of \$3,000 for single people, in order to avoid taxation of the essentials of life. In fact, even with an exemption of \$1,500 or \$1,600, we are still taxing the bare essentials of life, because it costs a couple over \$4,000 today to live decently. And if, after having boasted about ranking third among the wealthiest countries in the world, we happen to be the most heavily taxed nation in the world, I believe that the situation should be remedied.

Mr. Speaker, we once again ask that this famous 11 per cent tax on building materials be abolished. It is not the first time—

• (5:10 p.m.)

[English]

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member, but I do so to advise him that his time, limited by special order made today, has expired.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Waterloo (Mr. Saltzman)—Manpower and Immigration—Instruction to employees in Kitchener-Waterloo area to answer telephone in French and English; the hon. member for Frontenac-Lennox and Addington (Mr. Alkenbrack)—External Affairs—Removal of flag of Nationalist China from pavilion at British Columbia trade fair.