

the hon. gentleman is asking for appear at the bottom of that table in respect of provinces as well as on a national basis.

At the bottom of the table on page 13687 in numbered lines 10 and 11 there is the comparison the hon. gentleman wants. It shows, for example, an increase in the year 1966-67 from \$354 million, which would be the yield under the present arrangements, to \$494 million under the proposed arrangements if applied to the same year. In other words, in applying the proposals to the same year the increase would be roughly \$140 million. Let me put this another way. If the provinces had this choice last year they would have selected the new arrangements because they would have been advantageous to all of them collectively to the extent of \$140 million.

Let me draw attention to the figures in respect of the province of Nova Scotia in which the hon. gentleman is most interested. The increase would have been from \$50 million to \$69 million. I can assure the hon. member that all of the Atlantic provinces with the exception of Prince Edward Island, which chose the other alternative, would prefer the present equalization arrangement to a continuation of the Atlantic provinces grants.

Mr. Nowlan: Perhaps I could follow that up. I thank the minister for pointing out this comparison. I appreciate that under the proposed formula there will be more money, but what does concern me is this. Ten years ago there was such a thing as an Atlantic adjustment grant. That legislation was put into effect in recognition of certain special circumstances relating to limited tax capacity.

Under the proposed equalization formula, even though more money will be available for the next year is the principle of special consideration being wiped out?

● (12:40 p.m.)

Mr. Sharp: Mr. Chairman, I would point to clause 9 of the bill wherein a guarantee is given, which I think will perhaps satisfy the hon. member, that the Atlantic provinces adjustment grants, although they have been superseded by superior arrangements, are still embedded in the bill and provide a sort of guarantee.

Mr. Nowlan: I have one last question, Mr. Chairman. I appreciate that clause 9 contains the floor and base for the individual Atlantic provinces. Nova Scotia is dealt with there. Is that base calculated on the basis of the present Atlantic provinces adjustment grants?

Equalization Payments to Provinces

Mr. Sharp: Yes, Mr. Chairman, these figures are the present Atlantic provinces adjustment grants.

Mr. Herridge: Mr. Chairman, as a member from British Columbia, and in an effort to be helpful, I should like to ask the minister a question. The minister knows that our premier has repeatedly told us that our province is completely debt free. I assume the premier has informed the minister of that fact, and we are proud of it.

Mr. Sharp: Mr. Chairman, would the hon. member permit a question? How can it be that a province in such a very strong financial position should have asked me for a \$100 million loan?

Mr. Herridge: That is just the point I was coming to, Mr. Chairman. I want to ask the minister this question. It is apparently obvious now that the government of British Columbia will be short by about \$100 million with respect to building the projects under the Columbia river treaty. They will be short this amount of money after taking into consideration what they have received from the United States government for this purpose. The premier of British Columbia has asked for a loan of \$100 million in this connection. My question is: Under the circumstances, what should the premier of British Columbia do? How should he approach this question to receive favourable consideration of his request from the Minister of Finance?

Mr. Sharp: Mr. Chairman, I am surprised at the modesty of my hon. friend. I thought that his championing of the cause of the premier of that province would certainly guarantee as much success as is possible.

Mr. Patterson: Mr. Chairman, the minister made a remark about the possible change in the financial status of British Columbia that would prompt the premier to request a loan of \$100 million. I wonder whether there is any change in the financial position of the federal government, because after stating that several hundred million dollars were available just for the asking the Minister of Finance has now rejected the request of the premier of British Columbia for this loan.

Mr. Sharp: Mr. Chairman, if the hon. member had read my reply to the premier of British Columbia he would have seen that I asked only that British Columbia act as all other provinces have in putting forward a