

provinces. In future, provinces which do not now receive equalization payments may consider the principle of such payments important.

My own province, of course, has received a good deal of revenue from equalization payments over a period of time. Our dependence on this source of revenue decreased over the years and by about the mid-sixties it looked as though we might be one of the "have" provinces as defined under the federal-provincial fiscal arrangements. Certainly, a great deal of political hay was made of this fact by certain politicians of Saskatchewan who attempted to take the credit for a great deal of work which had been done for many years by the government led by my colleague, the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas).

Of course, the situation has changed drastically in recent years as a result of the drop in farm income and the decline in revenue from many mineral resources. Once again an increasing percentage of the provincial revenues of Saskatchewan is derived from equalization payments.

If I may carry this beyond the Saskatchewan scene, Mr. Speaker, I think it is necessary to underline the concern expressed in some provinces which might be regarded as "have" provinces. As I said before, the picture could be different in future years. At some time in the future some of the provinces now regarded as "have" provinces may well, for a variety of reasons, find themselves in a different position and become beneficiaries under equalization payment programs.

It is quite possible that some provinces which are presently enjoying the benefits of equalization payments may in future, by reason of changing circumstances, suggest that they are no longer benefiting from this type of arrangement. It is therefore important to keep in mind that the process of equalization is important for Canada's future if we are to ensure the existence of one united Canada. In this connection I think it is important to point out that we should all be concerned about the imbalances in Canada as between various regions and provinces.

At present, three provinces under these arrangements might be regarded as "have" provinces—Ontario, Alberta and British Columbia. Two of those provinces, Ontario and British Columbia, have been at the top of the scale for a number of years, if one is to judge from a variety of economic indicators. Certainly, to judge from these indicators they are the best off in many respects. How their economic wealth is distributed among the people of the province is another matter about which a good deal could be said.

Alberta, of course, has been in a favourable position for a number of years although there is no guarantee that that will be the case for a long time or on any sort of permanent basis. It may not occupy that position permanently. We must bear in mind that in terms of economic growth and population trends Ontario and British Columbia are the two provinces which are experiencing a high level of growth. None of the other provinces, including Alberta, is enjoying anything like the same level of growth, if one is to judge the situation according to the indicators I have mentioned or other indicators. Ontario, in particular, is growing. Of course, we are happy to see

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development in Ontario. Since Ontario is increasingly becoming the all-important province, I suggest that in the long run this will create difficulties for Canadian confederation.

That is why many of us welcome programs that will lessen the disparities between the other regions of Canada, not because that will be to the detriment of any province, be it Ontario or British Columbia, but because we want to ensure that the other regions of Canada are able to enjoy a degree of growth and well-being similar to that experienced in those two provinces. I am sure the minister is very concerned about some of these factors. The facts I have outlined carry implications which are of concern for Canadian confederation in the long run.

There are a number of features of this bill, Mr. Speaker, with which I think we can all concur; for instance, the change in the revenue guarantee provisions. The bill has changed the 95 per cent figure relating to the federal guarantee to 100 per cent. This is a useful change with which, as I say, we can all agree. It is an important change because it has been shown that the 95 per cent figure which was included in the 1967 agreement had little meaning for the provinces. When one considers the way in which price levels have been increasing in recent years, and the implications that these increasing price levels might have for fiscal policy and governments, I think it will be conceded that it was necessary to raise the figure to the 100 per cent level.

I note, as well, that progress has been made in recent years in developing a more equitable revenue base in calculating equalization payments. Mr. Speaker, I could go into details which are of concern to many, but I will not do so tonight. There are a couple of points to which reference should be made. The first and most important is that in any calculations of revenue base or source for provinces it is absolutely necessary in today's situation to include municipal revenues in the calculations. This is particularly important at the present time because in a number of provinces shifts are taking place with regard to responsibilities for various functions of government vis-à-vis the provinces and municipalities. Indeed, proposals have been made by various provincial governments to shift the burden of financing certain functions from one level of government to the other.

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In my own province of Saskatchewan, the provincial government presently in power, a New Democratic Party government, put forward as one of its major election planks that it would take steps to ensure that some of the burden of financing education would be lifted from property taxation and transferred to provincial sources of revenue. I think the point is very well made, as it has been made on a number of occasions in debating this issue, that unless you include municipal revenues the provinces will be penalized under the present formula if they take steps which result in the type of shift they wish to carry out.

There are a number of other problems with regard to revenue sources that should be noted. One of the items in the definition of revenue sources refers to succession duties. This is a rather difficult and ticklish problem. The federal government has stepped out of the estate tax field and has left this area open to the provinces. Three prov-