

Federal-Provincial Fiscal Arrangements

time it is brought up he just smiles to himself as though it were the work of a genius. The hon. gentleman is going to discover that that is not something which is taken lightly. It is another reason federal-provincial relations are in the state they are. I am sorry. The figure for Newfoundland for 1976-77 in direct revenue loss is \$14.9 million, and the estimate of negative tax equalization brings it up to \$30 million. Of course, in the other larger provinces the figure is much higher.

All these funny things happened "On the Way to the Forum", but these were not very funny for the provinces which participated. That is why there is a strain in federal-provincial relations. That is why there is exacerbation, if that is the word to use. That is why feelings are not good. That is why people are suggesting we need to take a look at the BNA Act and the distribution of powers.

A lot of the pressure for that kind of constitutional review will disappear when the hon. member for Rocky Mountain (Mr. Clark) forms his government this year, next year, or whenever the next election is called.

Some hon. Members: Hear, hear!

An hon. Member: It's Bow River.

Mr. Crosbie: He will be the member for somewhere; never mind about that. You are just lucky he doesn't run in your district.

Mr. MacFarlane: I hope it will be outside the 200-mile limit.

Mr. Crosbie: What is needed is not so much a constitutional change in Canada as a change in personnel in the government. We need someone who will be co-operative, someone who will negotiate, someone who will consult, someone who does not think he has all the answers, and someone who does not have the Liberal habit of thinking that he and only he has the answers, and that he is God's gift to Canada. When we get a change in the seats opposite this constitutional crisis will be vastly diminished.

In this House several weeks ago the Minister of Finance said that there was \$1.25 billion more in the pockets of people because of indexing. I do not know how much of that applies just to federal tax and how much to provincial tax. However, I say that the hon. gentleman has a duty to put back in people's pockets what the government of Canada can afford, not what the provinces of Canada cannot afford.

I come from a province which cannot afford to rub two nickels together at the present time. It cannot borrow any more than it is borrowing. It cannot impose any more taxes. It already has the highest tax rates in Canada. It has the highest tax in the five main tax fields—sales tax, personal income tax, corporation tax, liquor tax and gasoline tax. They are the highest in Canada. The people in Newfoundland have the lowest per capita income. They have less ability to pay these high taxes. The government of Newfoundland cannot turn down what the government of Canada offers in the final analysis, but we do not have to take it quietly. If we think we

[Mr. Crosbie.]

are being treated unfairly we can protest, and we are protesting, and we are going to protest the dismal estimates which were tabled in this House a few days ago.

The estimates tabled in this House are an abomination. Of the \$45 billion in estimates which were tabled in this House last week there was practically nothing for Newfoundland to fight the unemployment problem there. In the estimates of the Department of Public Works an amount of \$300 million is for single purpose and general purpose buildings across Canada, but look at what is to be spent in Newfoundland: \$276,000 in Fortune and Burin-Burgeo, and \$700,000 for planning a tax data centre in St. John's. That is \$1 million out of \$300 million, one three-hundredth out of the department of patronage, the Department of Public Works.

An hon. Member: Disgraceful!

Mr. Crosbie: Only one three-hundredth is to be spent in Newfoundland, the province with the highest unemployment and with a construction industry which is having the greatest difficulty. What is the department spending in Ottawa-Hull, in this rich part of Canada? It is spending \$63 million out of the \$300 million from Public Works. That amount is to be spent in this fat-cat area of Ottawa-Hull for more government buildings.

Mrs. Holt: Do your arithmetic, and you will know that that is not right.

Mr. Epp: You mean it's more?

Mr. Crosbie: I am not including Campeau. Campeau is in there under lease-backs. I am including direct government expenditures by the Department of Public Works to build buildings. What is the unemployment rate in Ottawa-Hull? It is very small. What is the unemployment in Newfoundland? It is at least 20 per cent to 25 per cent.

I went through the estimates looking at the items of \$250,000 and more which were going to be spent. This was supposed to be shown in the estimates. I could not find \$30 million spent in Newfoundland on those kinds of items. I am not talking about DREE now; I am talking about direct expenditures like transport, public works and fisheries. Only \$750,000 is to be spent for small crafts and harbours in the whole of Newfoundland and Labrador, in all their 160,000 square miles. Over \$2 million is to be spent in Nova Scotia, over \$2 million in New Brunswick, and over \$4.5 million in Quebec. Is that co-operative federalism? Like—I have to keep my language parliamentary. This is a diversion.

The people who brought these estimates down in this House should be ashamed of themselves. They are going to leave the people of Newfoundland to wallow in their unemployment problem. We have the guts to stand on our own two feet and not give in to them with regard to the off-shore minerals off Nova Scotia, Prince Edward Island and New Brunswick. We do not fall over and play dead. I will be speaking about that tomorrow, so I will not waste my time on it tonight. The pipsqueaks are putting the squeeze on Newfoundland because