

Adjournment Debate

States, Japan and a number of European nations. It is now 1.32. It has slipped even further.

The minister's response, I contend, is one that most individuals would agree to be somewhat misleading, to say the least. Some people would even say it is farcical. Some people have even told me it was somewhat machiavellian, but I wonder if it would not be better to say it is "Michaelvellian" or perhaps "Michaelvillain".

Let us go on to the second part of the question. The second question was would he please agree with me and confirm my contention that transferring cash and transferring tax points were actually quite different. Will the minister please tell the whole truth about cash and transfer payments? That is what I wanted to know.

He gave tax points away, or the government of the day did, 10 years ago and he is still claiming them for himself, for his government. They gave points, not dollars, and there is a difference. I can give you 100 points tonight but I must tell you it is not going to buy you a whole lot for dinner. The minister and his government take credit for points which were transferred over a decade ago, and yet the provinces raised the taxes. Surely that is something that needs to be said and a point that needs to be recognized.

During the last two years the tax point credits were greater than was the cash transfer. Manitoba will have no more cash from transfer payments for health and education by the year 2003 to 2004. I think that is really quite unfortunate. This is what the minister said in response to my question, quite apart from being rather flippant and a lot of puffery surrounding all of this and I think rather insensitive: "The tax points and cash transfer are equally important to the provinces because in an equal way they provide cash to the provinces."

• (1905)

Here is what an expert, Tim Sale and Associates, from Winnipeg, Manitoba, had to say about tax points.

"Tax points" is jargon which means that the provinces got the right to levy higher rates of personal and corporate income tax in return for agreeing to the federal proposal. In turn, the federal rates were lowered. Provinces raised their personal income taxes by 12 points (each point is one per cent of the federal tax level), and their corporate rates by 1 point. The federal government

could still claim to be funding medicare, but at a lower direct cost to their budget each year. The political price for higher taxes was paid by the provinces.

I could go on and I shall use a couple of other quotes.

The federal government shifted some taxation to the provinces—gave provinces the right to raise their taxes. But the federal government still counts the money that is raised by those provincial tax points as federal dollars.

And it goes on and on and on. The point is a very simple one. The transfer of tax points is not the same as a tax transfer of cash. It is simply not the same. I thought the minister on that particular day had been somewhat arrogant, somewhat pretentious, somewhat pompous and insensitive to the point that I was trying to raise. If that minister discards what I am saying, let him consult with my experts. Let him consult with the Canadian Association of University Teachers, the Canadian Association of Community Colleges, and I could name several others. We can listen to what they have to say. I would be quite willing to settle with their conclusion.

If the minister is so sure of himself and the points that he makes, I wonder why he did not accept my October 13 challenge, which was to discuss the importance of education and transfer payments for health and education throughout the country. In an exchange here in the House one day, I said to the minister that I would love to debate this issue with him throughout Canada. He said he had checked *Hansard* and he could see no indication that he had undertaken to do that.

The points are very simple.

[*Translation*]

Madam Speaker, it is because I had addressed two extremely important issues. I was brushed off by the minister, and I believe he was less than honest with me and my colleagues. Tonight, in the House, I ask that someone should explain to me why he believes he is right, when I contend I am the one who's right.

[*English*]

Mrs. Pauline Browes (Parliamentary Secretary to Secretary of State of Canada and Minister of State (Multiculturalism and Citizenship)): Madam Speaker, I am pleased to respond to the hon. member's question that he put to the Minister of Finance on March 13, 1990.