

much as "by your leave". It is any wonder that Canada is being disrupted and divided and that certain provinces feel they should quit? It is because of that kind of treatment.

Some hon. Members: Oh, oh!

Mr. Crosbie: I am dead serious, Mr. Speaker. I have witnessed this for five years, and I am as serious as can be that in large part the reason for the dissatisfaction in federal-provincial relations is the arbitrary and arrogant attitude and actions of the hon. gentlemen opposite. I should not be warning them and telling them this. They might change in the next few months.

Some hon. Members: Oh, oh!

An hon. Member: Don't you believe it.

Mr. Crosbie: Imminent elections cause the Liberals to do wonders. Anything is likely in the next few months. Even the Minister of Finance might become most conciliatory and might throw out a few million dollar to the provinces in the next few months. Perhaps I should not be mentioning these things at all.

Let us speak about something that is still more dastardly. Hon. gentlemen opposite should listen to this because it is another example in federal-provincial relations of the co-operative federalism as practised by the hon. gentlemen opposite, the hon. King Kongs. In December of 1975 the federal finance mandarins made an estimate of what they would have to pay for post-secondary education in the next fiscal year. The federal government entered into programs with the provinces for a few years and came up with an estimate. In the financial year 1976-77 they were going to spend \$538 million, they would transfer that to the provinces under post-secondary education. They told the provinces this and the provinces accepted the federal figures. But lo and behold, in May of 1976 the federal financial wizards, the experts, hundreds of them, discovered that it would not be \$538 million in 1976-77 under that program but rather \$649 million. They made a mistake, they underestimated the cost.

It might have been the fault of the Liberals because of the Liberal induced inflation. They were going to have to spend \$111 million more than they had expected. I am sure you will think that they took that on the chin, because of course they had to meet their commitments. They made a mistake in their estimates, but since the program had been established for years you might think they would accept that. Not on your life! They did not accept it. They told the provinces the country was under fiscal restraint. I say they should have been under penal restraint to do what they did, Mr. Speaker.

Some hon. Members: Hear, hear!

Mr. Hnatyshyn: Right in the solar plexus.

Mr. Crosbie: They said to the provinces, "We underestimated by \$111 million. We know we should pay you that money, but we are under fiscal restraint and we cannot pay it

to you until next year. You will not get what you are entitled to this year because we do not want to be embarrassed by going back to the House of Commons and having to admit there is another \$111 million in supplementary estimates". So those shylocks, no-lucks, went to the ten provinces and told them they had to wait until next year for the \$111 million. How is that for co-operative federalism? How is that for the great Liberal principle of participatory democracy? Bushwhackers! There will be no democracy in this country until we get those scoundrels out.

Some hon. Members: Hear, hear!

● (2110)

Mr. Crosbie: I just want to make one reference to Newfoundland in this connection to show the enormity of the crime. Because the government is going back on its commitments in 1976-1977, Newfoundland receives \$2 million less for post-secondary education than it should. Presumably it will get the \$2 million next year. It has been postponed.

I mentioned in another debate in this House several weeks ago—and the Minister of Finance took it very lightly, and he should not have—the fact that the federal government in another fantastic example of co-operative federalism—that is, you co-operate or you get nothing at all—unilaterally indexed the personal income tax in 1974. I believe it was the former minister of finance, Mr. Turner, who brought down that budget which unilaterally indexed the personal income tax. The government collects the provincial income tax for nine provinces, and they have to accept uniform conditions. The federal government is doing this because that is best for Canada. It causes less confusion, it is more efficient, it saves money, and it obviates 11 governments each having to collect its own.

The hon. gentleman entered into an agreement with nine provinces to collect their income tax, but unilaterally, without consultation, without notice, and without as much as "by your leave" or a please or a thank you, indexed the personal income tax, which caused all nine provinces to lose millions of dollars over the last three years. The federal government did not even agree to compensate them for this loss. As a result of that unilateral indexing—and I could care less if the federal government indexes its own income tax; that is its own income tax; let it do what it likes with its own—instead of just indexing its own, it indexed the income tax for nine provinces. Perhaps it had to do it for technical reasons, but if it had to do it for technical reasons it should have made up the revenue lost to the provinces. However, the government opposite did not do that. It just imposed indexing itself and caused the loss of hundreds of millions of dollars to those provinces.

In the case of Newfoundland the loss this financial year is \$30 million. That is \$18 million in income tax, and the rest in the negative effect that had on tax equalization. The Minister of Finance took \$30 million out of the coffers of the province of Newfoundland in this fiscal year by that one change made without the consent of the province and without its consultation. He refused to reimburse the province for that, and every