## The Budget-Mr. Herbert

A great number of other institutions that are considered a provincial responsibility are supported by federal funds, such as municipal and provincial museums, and there are capital cost grants for hospital construction. Subsidies are provided for housing for veterans and for tourist information centres. Funding is made available for the construction of underpasses, such as that at Dorion in my riding where such a tragic accident occurred so many years ago. More recently the underpass has been constructed at Ste. Anne de Bellevue, and funds are now being requested for an underpass at Terrasse Vaudreuil. All this massive federal funding I have mentioned so far is made available across this country on a per capita basis; that is, according to provincial population.

## • (1720)

Now I want to turn to those programs that are of special benefit to the province of Quebec. The largest in dollar value is the equalization program, the unconditional transfer of federal taxes into the Quebec provincial treasury that has contributed in this one program alone some 10 per cent of Quebec's revenue this year, or over \$1.7 billion. This generous sharing of Canada's wealth is to be enshrined in our new Constitution. Fifty per cent of the moneys distributed under the equalization program go to Quebec. Also, huge sums go into the provincial treasury to support second language instruction. Quebec is again the major beneficiary.

Support for industry as well as provincial works from the Department of Regional Economic Expansion is concentrated in Quebec as a targeted area for funding. The winter works programs of the Department of Employment and Immigration are also most heavily funded in Quebec, where the levels of unemployment are greater than the national average.

While speaking of unemployment, in large measure accentuated in Quebec by the uncertainties created by talk of separation and problems created or fostered by Bill 101, I would like to underline another benefit of national sharing. While contributions to the unemployment insurance fund on a per capita basis are approximately the same across this country, this is not the case when one looks at the benefits paid out. In 1979, for example, payments per capita in Quebec were over \$240 while payments were less than half this figure in Ontario, and only one-quarter or \$60 per capita in Alberta. For every \$3 contributed in Alberta, only \$1 is paid out. In Quebec \$3 is paid out for every \$2 contributed. One cannot be proud of high unemployment, but Mr. Lévesque should not forget that the unemployed who cannot find jobs because of a lack of investment are receiving benefits that are paid in large measure by contributions from other provinces.

One can argue as to the reasons for the high unemployment in Quebec, but there are other groups of citizens in Quebec who receive a higher level of financial support than the national average. There are more persons receiving more money from the guaranteed income supplement of the old age security program. There are also more widows between 60 and 65 receiving the spouse's allowance. This is an historical characteristic that is financed by federal dollars.

At the other end of the scale, daycare centres, which are financed 50 per cent by the federal government under the Canada Assistance Plan, receive 2.5 times as much per capita in Quebec as their counterparts in the neighbouring province of Ontario.

I want to make reference to two other major support programs of particular benefit to Quebec residents. The first is the federal energy program that subsidizes the imported oil used in the province of Quebec. This ensures that Quebec car, truck and bus drivers pay no more for their gas than is paid in the western oil producing provinces. Likewise, the home owner and apartment dweller can heat their residences with heating oil heavily subsidized by a federal program. This federal financial support is Canadians sharing with Canadians and would certainly not continue in the event that Quebec separated.

Of special benefit to Quebec and to farmers in the constituency of Vaudreuil are the millions of dollars that subsidize the dairy industry, which is the backbone of the Quebec farming community.

All these programs, equalization, language training, energy subsidies, daycare centres, pensions, unemployment benefits, winter works programs, milk subsidies and many others, bring to Quebec residents federal contributions far in excess of any amounts that would be calculated solely on the basis of population.

The federal government has not touched any of these programs that are of special benefit to Quebec, despite the heavy pressure to reduce the deficit by reducing spending. In the past it has been Quebecers who have been able to contribute to the prosperity of our country. In the future it will again be the turn of Quebecers to play the part of big brother and to help those less fortunate. But today, faced with a climate of economic uncertainty that has been fuelled by talk of separation, Quebecers are able to share and participate in the benefits that flow from our federal system of government.

I would like to discuss another of the major benefits of the federal system of government in this great country of ours, the equalization that comes from a national system of tax collection.

Everyone is aware of the higher level of provincial taxation that is applicable in Quebec. A Quebecer, this year, pays on a \$15,000 taxable income a marginal tax rate 30 per cent higher than the Ontario resident. The higher the taxable income, the greater is the amount that a Quebecer must pay in provincial income tax. Thus many high salaried Quebecers who have the option available to them have moved to Ontario. Airline pilots are an excellent example. Quebec loses not just the tax difference but the total provincial tax that would have been paid. In addition, of course, the economy suffers from the reduced buying of furnishings, food and services when a high salaried person moves out. Fortunately, the individual who moves to Ontario still pays the same federal tax and the moneys contributed help to pay for the programs that benefit all Ouebecers.