

Government Orders

about so often, would he support a bill that would impose upon the federal government an obligation to ensure that those funds are spent in those areas?

The first question asks for an explanation of the Budget Stabilization Fund in British Columbia; the second one, is he prepared to be responsible as he says he is?

Mr. Blenkarn: We will deal first with the fund in British Columbia. The government there has had the ability to put money aside and raise surpluses for many years. Indeed, the time has long passed when this measure should have been brought forth. The ability of the province of British Columbia to generate revenue, to pay the costs of its services, is well known.

Whether their surplus comes from stabilization funds, heritage funds or extra money that is put aside because they have taken more in taxes in the past than they needed to, indicates that they have the ability to pay their bills and look after them well.

Let us deal with the other issue. The other issue is EPF and whether it ought to be designated. My friend may not know it but there is an arrangement in the portion of the Established Programs Financing dealing with post-secondary education requiring an accounting that the money in that transfer go to post-secondary education. Unfortunately, the EPF is so structured that every province has been able to show that the cash portion of the EPF represents more cash than they pay to post-secondary education.

The EPF is a complicated program. It involves cash, tax transfers and the understanding of what tax points are worth. The consequence is that only part of the transfer is cash. In every provincial case with respect to education, the actual provincial expenditure for education exceeds the cash portion of the EPF transfer allocated to education.

Having said that, that is what managed to be accomplished in the 1982 and 1984 Parliament, and nothing much more than that. I wish my friend well but the whole concept of the Established Programs Financing Act will have to be rewritten, probably later in this Parliament.

Mr. Joe McGuire (Egmont): Madam Speaker, it is with great concern that I rise today to speak on Bill C-69.

My concern is that this government is once again introducing legislation which will impose further burdens on the sectors of our society which are least able to cope.

Bill C-69, an act to amend certain statutes to enable restraint of government expenditures, will actually amend four existing programs: the Canada Canadian Assistance Plan, CAP; the Established Programs Funding, EPF; The Canadian Explorations Incentive Program, CEIP; and the Public Utilities Income Tax Transfer Act.

Bill C-69 is part of the "Magic Michael Show". The Minister of Finance is going to make the deficit disappear.

Unfortunately, as in any magic show, nothing really disappears. It seems to, but then it reappears again. This is the real story of Bill C-69. It is an exercise in camouflage. The federal government transfers program responsibilities to the provinces. Presto! The federal debt load is reduced. The sad reality is that the financial burdens have simply been transferred to the provinces. Bill C-69 does not solve any problems; it just reassigns the responsibility.

The bottom line is that the ultimate burden rests with Canadian taxpayers. The problem here is that the system is not equitable. Some taxpayers, especially those in disadvantaged areas of this country, have to carry a disproportionate share of the load.

I think all Canadians have agreed that the federal deficit is a problem. However, I do not think that there is any consensus that the way to resolve it is to simply shift the burden to the provinces.

In his budget speech, the Minister of Finance said that he will reduce the deficit, and then he laid out a schedule complete with dates and amounts.

I believe he projected an interest rate of 11 per cent. That is another story and I will come back to it a little later.

The statement in the budget, however, that really strained credulity was: "There will be no new taxes in this budget". No new taxes.

William Shakespeare once said:

What's in a name? That which we call a rose By any other name would smell as sweet.

A tax by any other name is still a tax, and it still hurts.