

Some hon. Members: Oh, oh!

Mr. Evans: Another structural change is the probable increase in municipal taxes as a result, because it takes the resistance off the increase in municipal taxes.

Some hon. Members: Oh, oh!

Mr. Evans: So you gentlemen on the other side who are laughing and chortling like chickens, when the people of Canada have to pay the price and lose programs they now have from provincial governments and have higher property taxes, then we will see. Then we will see.

Some hon. Members: Hear, hear!

Mr. Evans: Undoubtedly there will be a further reduction of the benefits of this program to the people of Canada as the provincial and municipal governments skim off their part of the free good which the government is going to hand out to the people of Canada, at least to 32 per cent of them. Beyond the reduction of the so-called benefits of this plan, there are other more fundamental implications. And I hope hon. members on the other side can calm down for a while to listen—

An hon. Member: Listen and learn.

Mr. Evans: —to what these implications will be.

First of all, I think it is very important that we understand that this is going to result over time in a further shift of fiscal powers from the federal government to the provincial municipal governments. We should note that over the last 20 years there has been a substantial shift in fiscal powers between the federal and provincial municipal governments, and that this shift has undermined the ability of the federal government to manage the economy.

If we go back to 1960 we find that the federal government expenditures represented 15 per cent of the gross national product while the provincial municipal share was 10 per cent. If we look at today, in 1978 we find that the federal share has increased very little. It is at 18 per cent now, but the provincial municipal share has gone to 25 per cent. It is the provincial municipal share now that is driving the economy from the point of view of their share of expenditures in relation to GNP. Therefore, structural programs which shift resources to the provincial municipal sector act reduce the flexibility, which this minister, the Minister of Finance (Mr. Crosbie) decries as being a terrible thing. No fiscal flexibility.

Programs like this that have the tendency over time to shift fiscal powers to the provincial municipal sector permanently reduce the fiscal flexibility of this government and severely alter the federal-provincial balance of powers. We lack flexibility. The lack of flexibility is decried, as I have just mentioned, by the Minister of Finance. How then can he introduce this bill in good conscience? I will never know. Further on this point, Mr. Speaker, I have serious concerns over the future of the federal budgetary process. The ability to balance the budget in the 1980s is coming into serious question. There can be no doubt about that.

Mortgage Tax Credit

Some hon. Members: Oh, oh!

Mr. Evans: And no joking from the other side.

An hon. Member: They are a bunch of jokers.

Mr. Evans: I have grounds to believe, and every member in this House has grounds to believe, that the addition of structural changes to the tax system which permanently reduce federal revenues in the face of knowledge that many of our social programs and social expenditures are indexed, justifiably as they should be—they have been indexed automatically—will lead to severe budgetary problems by the mid 1980s. Hon. members opposite know that.

As reported in a recent newspaper article, the chairman of the Economic Council of Canada said this:

The federal government is in poor position to continue to play its major role in economic management, equalization of provincial revenues, and the conduct of major national policies. And, unless changes are made, the government's management of the economy will become increasingly powerless, to the peril of the country as a whole and the welfare of every Canadian.

Here we go with \$2.5 billion to \$3 billion into a program that is not or cannot be considered in any way, shape or form a priority to the people of Canada.

An hon. Member: A bunch of losers.

Mr. Evans: When this program is considered in view of other priorities, the need to—

Some hon. Members: Oh, oh!

Mr. Evans: —perhaps you would like to listen.

An hon. Member: Listen and learn.

Mr. Evans: The need to increase the funding base of the Canada Pension Plan, the need to provide improved pensions generally to our retired senior citizens, the need to ensure the needs of our health care which has been decreasing dramatically lately and will require increased expenditures from the federal as well as the provincial governments, I call upon the minister to stand up in this House—if he were here—

Some hon. Members: Oh, oh!

Mr. Evans: —and tell the people of Canada that this program is the best use that he can find for \$2.5 billion to \$3 billion of their money. It is their money because they are going to pay for it. If he cannot do that in clear conscience, and I do not think he can because this minister has fought this bill in cabinet—the leaks are out, we know he has fought it—

An hon. Member: We know that.

Mr. Evans: —and if he cannot do that, in clear conscience, I think he should stand up and walk out of the House and resign.

An hon. Member: That is what he did this afternoon.