

TRANSFER PAYMENTS TO PROVINCES UNDER ESTABLISHED PROGRAMS

Question No. 2,181—**Mr. Herbert:**

1. What amount was transferred to the provinces under the established programs financing formula payments program, by year, for total payment and by province on a per capita basis?

2. What is the estimated per capita contribution for the year 1981-82?

Hon. Pierre Bussières (Minister of State (Finance)):

1. The federal contribution to the provinces for hospital insurance, medicare, post-secondary education and extended health care is partly in the form of a cash transfer and partly in the form of a tax transfer. The value of the EPF transfer since 1977 is shown below.

Under the shared-cost agreements in place before EPF came into effect in 1977, the federal contribution to these programs varied widely on a per capita basis among provinces depending upon how much provincial governments themselves spent in these program areas. After an interim period during which provincial entitlements were levelled up or down to the national average, the EPF arrangements now essentially constitute an equal per capita transfer to all provinces.

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The core of the cash transfer is "basic cash", which is equal to half the federal contribution under the three "established" programs in 1975-76, escalated by the trend rate of growth of GNP. To the extent their equalized tax transfer is less than "basic cash", provinces receive transitional cash payments. Because of the strength of their respective tax bases, however, the tax transfer to Yukon and Alberta for 1980-81 is sufficiently large to eliminate their need for these transitional cash payments. In fact the tax transfer in Yukon and in Alberta exceeds the value of basic cash, but this excess is not recovered. As a result the value of the EPF transfer to those governments in 1980-81 slightly exceeds the national average.

Total Cash and Tax Transfer under EPF, 1977-78 to 1980-81

	(\$ Million)		
	Cash Transfer	Tax Transfer	Total Cash and Tax Transfer
1977-78	3,818	3,297	7,115
1978-79*	4,454	3,678	8,132
1979-80*	5,237	3,971	9,208
1980-81**	5,773	4,440	10,214

* Estimated Sept. 1980

** Estimated Jan. 1981

Figures may not add due to rounding.

Cash Transfers Per Capita under EPF, 1977-78 to 1980-81

(\$)

	Nfld	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	N.W.T.	Yuk.	Total
1977-78	171.89	161.78	182.29	173.07	143.76	175.94	189.27	179.22	158.78	153.76	186.71	155.42	164.18
1978-79*	207.30	201.73	213.06	207.97	158.89	204.32	216.91	211.19	182.95	185.96	211.03	180.70	189.72
1979-80*	249.95	249.95	249.95	249.95	181.92	236.21	249.95	249.95	212.68	227.19	240.48	206.68	221.26
1980-81**	273.16	273.16	273.16	273.16	199.46	258.13	273.16	273.16	227.51	246.84	262.02	226.92	241.42

Tax Transfers Per Capita under EPF, 1977-78 to 1980-81

(\$)

	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	N.W.T.	Yuk.	Total
1977-78	116.82	116.82	116.82	116.82	173.38	129.90	116.82	116.82	150.37	137.32	121.59	169.89	141.77
1978-79*	129.46	129.46	129.46	129.46	193.07	142.01	129.46	129.65	167.39	152.24	136.59	187.87	156.66
1979-80*	138.95	138.95	138.95	138.95	206.98	152.69	138.95	138.95	177.30	161.71	148.42	199.41	167.75
1980-81**	153.84	153.84	153.84	153.84	227.53	168.87	153.84	153.84	200.46	180.16	164.97	218.73	185.68

Total Tax and Cash Transfers Per Capita under EPF, 1977-78 to 1980-81

	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	N.W.T.	Yuk.	Total
1977-78	288.71	278.60	299.11	289.89	317.14	305.84	306.09	296.04	309.15	291.08	308.30	325.31	305.94
1978-79*	336.76	331.19	342.52	337.43	351.96	346.33	346.37	340.84	350.34	338.20	347.62	368.57	346.38
1979-80*	388.90	388.90	388.90	388.90	388.90	388.90	388.90	388.90	388.90	388.90	388.90	406.09	389.01
1980-81**	427.00	427.00	427.00	427.00	427.00	427.00	427.00	427.00	427.98	427.00	427.00	445.66	427.10

* Estimated Sept. 1980

** Estimated Jan. 1981

2. The estimated total transfer per capita for the year 1981-82 is \$470.39 in each of the ten provinces and in the Northwest Territories. In Yukon the estimated per capita transfer is \$500.21, and the average per capita transfer of cash and tax across Canada is \$470.42.

CORPORATION TAX TRANSFERS TO PROVINCES

Question No. 2,188—**Mr. Herbert:**

1. What percentage is returned to the provinces from the collection of income tax from corporations involved in the distribution or generation for distribution of electrical energy, gas and steam to the public?