

Federal Transfers to Provinces

amount will actually be. Certainly with an economic slowdown we have no way today of predicting what tax revenues the federal and provincial governments will actually have accruing to them. However, if we are going to argue that the provinces will inevitably receive more money because of the federal increase in taxation, we ought at least to admit that we are therefore not restraining the size of government budgets, and therefore the earlier argument which was used to defend the restraint in the transfer program is defeated by the minister's own comments about the value of the provincial taxes which will be increased by the budget which the minister uses to defend eliminating the revenue guarantee.

Whichever way we play the minister's own argument we wind up with the fact that the federal government will have substantially more money than it had under last year's budget. Those estimates have ranged in the minister's own budget estimates, but minimum assumptions are \$54 billion from the energy deals, if the energy program comes on stream as it should. The minister's own budget expectations say the government will increase its spending by 52 per cent to 53 per cent in the next year or two. That is not restraint, and it is only because that is not restraint that the provinces will get more money as they are tied into the tax arrangements. I repeat that we cannot therefore argue—because this is the guts of the argument as to whether in fact a cut is occurring—and we cannot in good conscience turn to Canadians, after we tax them more at this level by 50 per cent or 60 per cent, and say, "Look what we are doing for you by restraining the transfers to the provinces," because the net effect is that the federal government inevitably is saying it will simply spend even more than that on the rest of its programs. Otherwise we cannot square the circle.

For example, the government has argued under one set of figures that its over-all spending next year will be up only 16 per cent or 17 per cent net of these transfer payments. If the transfer payments drop to 12 per cent or 13 per cent increases, clearly everything else will be up. That is self-evident. That is the first lesson in basic mathematics when we go to school. If that is true, there is not restraint elsewhere, and it becomes clear when we get into this bill and look at the evidence used by the minister to defend it that the arguments being advanced to defend this bill are the single best proof that the government is not restraining its over-all expenditures in other areas. Otherwise it could not come up with the figures it uses as net figures.

Second, it will be very difficult to explain to my people—and I frankly think it will be impossible—how it makes sense to impose more taxes here and give less of that to the provinces, so that they will have to tax our people in Ontario again to pay for the same service they now have. But that is what is being proposed. Let us be very clear that the argument is being advanced that in order somehow to save us money, it makes sense to increase taxes here, to reduce transfers to the provinces, and to have them increase taxes to pay for those services. What happens in the end is that we will have the same level of services. We will have paid the federal government roughly 50

per cent more taxes over the next couple of years, directly and indirectly—that is 50 per cent in two years net—and meanwhile the provinces will have had to put up their taxes in order to pay for services Canadians already use, trust and rely upon. Those are such services as university education, hospital services, homes for the aged and all those gut level basic social services which are fundamental to the welfare of Canadians, either for training our next generation or looking after those many in our senior generation who cannot now care for themselves adequately. The argument is that simple.

In its case the parliamentary task force put it as clearly as it could be put. It would be wise to read it into the record one last time, and then I will conclude. The task force argued several things. I am sorry I cannot find the actual quote at the moment, but I can paraphrase it. The task force argued persuasively that in no way could it be said with any kind of fairness that existing services at the provincial level on which Canadians depend have any fat left in them. There is no justification at the federal level for moving to make those cuts. It also argued persuasively, Mr. Speaker, if you read the report carefully, that fundamental to the principles of federalism is the way in which you rationalize the programs which both levels of government pay for. It should be remembered, if anyone argues about who actually spends the money in Canada—which is one of the minister's arguments—that these programs are largely programs which the federal government quite properly encouraged the provinces to get into on the basis that they would pay for large chunks of them. Therefore, those provincial payments are in fact on behalf of all of us. It is almost nonsense to argue that somehow, if we take the money from here and have it spent there, and have it spent on jointly agreed programs, we are not in fact all getting the benefit. It becomes nonsense to argue whether it shows up in the spending column of this government or that government, when it is always the same pocket that pays the bill and it is Canadians everywhere, whether they are federal or provincial Canadians, who get the benefit. To argue now to rationalize those services by a unilateral decision of this level of government, flies absolutely in the face of what Canadians have understood for years to be the federal-provincial relationships which makes this country work.

● (2020)

It may not be surprising to see that today, after what happened with VIA Rail, after what happened on the Constitution, after what happened in the recent conversations about the energy omnibus bill, where the members opposite waited 15 days to make the deal which they knew they could make in the beginning and which they ultimately brought in today.

Mr. Evans: It was the members opposite!

Mr. Bosley: They would not even discuss it until this weekend. Let me say this, Mr. Speaker to the hon. member for Ottawa Centre (Mr. Evans), who is no longer a parliamentary secretary, who may now finally be able to tell the truth about