

would like to reinforce some of the comments made by my colleague from this side of the House.

Bill C-60 is about transfer payments. It is about the amount of money that the federal government collects on behalf of provincial governments and then shares with them. We have a complex system of taxation in Canada. It frustrates a lot of people, I know. There are unfairness and inequities in the system. It is far from being perfect.

In Canada we have adopted the system that the federal government collects tax revenues and then shares it with the provinces. We do not tell the provinces how to spend the money. It is simply a transfer of a lump sum that goes to the provincial coffers and then provincial legislatures, provincial governments, decide where they will spend the money.

One of the first accusations and allegations of members opposite who are critical of the government is that the federal government is cutting back on funding for medicare and education, which is not the case because the federal government just gives a lump sum of money to the provinces and tells the provinces they can spend the money how they see fit. If there is a shortage in terms of funding for health care or for education, it is because of the spending priorities of the individual governments that receive those funds. That is the first point I would like to make.

Second, while the critics of the government keep insisting that transfer payments are being cut to the provinces, it is not true. Transfer payments are increasing year over year. Perhaps my hon. colleague when he has a moment will be able to hand me a few facts and figures on the exact amounts for this year. I know for the province of Ontario the funds have increased substantially, and this year there will be almost \$10 billion given by the federal government to the province of Ontario.

Major transfer payments in total have grown at more than 6 per cent a year since the government came into power. Now 6 per cent is pretty good considering that the inflation rate right now is around 2 per cent. We have a year-over-year increase in the amount of money that is being transferred from the federal government to the provincial governments. It is not true when anybody stands up and says that there are cuts in transfer payments.

Government Orders

The Ontario government yesterday brought down a Speech from the Throne. A lot of people were expecting a lot of big things from that speech. They were looking for some creativity. They were looking for some signal that the Rae government has some way it has discovered to stimulate the economy: some magic bullet, some rabbit out of a hat that the federal government had not been able to find, something so dramatic and different that the Government of Ontario would be able to do what the federal government in some instances has not been able to do, and that is instantly and overnight kick-start the economy.

We were looking for the rabbit out of the hat, and what did we get? Fed bashing. We got one level of government standing up again and saying: "All our problems are to be blamed on another level of government. We are pure. We are blameless in this. It is all the federal government's fault".

We had the premier of Ontario saying that the federal Minister of Finance was to blame for all his problems. In this House today we have had members of the NDP standing up and saying: "It is all the federal government's fault. Don't blame poor Bob Rae".

What Bob Rae has just come to understand is what other levels of government has learned. There is no magic solution. There is no silver bullet. There is no trick hat with the rabbit inside. It just does not work. Economies move on fundamentals, and as long as we do not have the fundamentals right we are not going to have a good economy. It does not matter how much we try to play partisan politics or bash another level of government, it is not going to work.

For the electors, for the voters, for the citizens, for the people who are looking for leadership, they are not getting it there. It is just bashing another level of government.

I would like to make another point. For those people, whether it is in Quebec, Ontario or Alberta, who keep talking about what they get out of Confederation, we need to remember that Canada is not a balance sheet. I know there are people in the province of Alberta right now who have been running econometric models, trying to see how much Alberta has paid into Confederation as opposed to what it has taken out.