

Government Orders

health and education, called Established Programs Financing, with the equalization program.

On a few occasions, this interaction reduced the cash amount part of the EFP paid to the provinces that get equalization payments. This bill will solve that problem.

I feel it is essential to remind everybody that this legislation has to do with the equalization program. It does not directly affect the program which governs transfers to provinces for health care and education, nor the Canada Assistance Plan. Nevertheless, since the issue of main transfers was raised during the debate, I will briefly look at this whole issue.

In 1992-93, the fiscal year that started on April 1, total transfers to provinces will reach approximately \$39 billion. For the fiscal year that just ended, those transfers totalled some \$37 billion. This represents an increase of more than 5 per cent over a year in the total transfers to provinces. Mr. Speaker, this is an increase of 5 per cent in spite of the economic situation and the reduced federal revenues.

The members will understand that a 5 per cent jump means that the federal government is increasing its transfers to provinces at a rate higher than the growth of federal programs' expenses.

The federal government is more generous with the provinces than with itself. This year is no exception. From the fiscal year 1984-85 to now, in 1992-93, transfers to provinces will, on average, have increased 5.4 per cent per year.

Mr. Speaker, I wandered from the central issues related to the bill because I felt it was important to deliver a simple message. Not only are transfers to provinces increasing this year but, on average, they have increased every year since 1984-85, when they totalled \$25.6 billion. Transfers will reach approximately \$39 billion for the fiscal year that started on Wednesday. This represents an increase of \$13 billion compared to 1984-85.

Mr. Speaker, that was my digression. I will conclude by talking about the fiscal measures included in the bill.

This bill provides measures that will facilitate the administration of federal taxes by the provinces, and conversely. These measures will, among other things, facilitate the administration of the federal tax on goods and services by the provinces, as well as the collection of provincial sales taxes at the border by federal customs officers. So far, only Quebec has agreed to harmonize its

tax so as to make possible such agreements, but I hope that the other provinces will follow suit.

Moreover, these changes will simplify payment agreements and banking arrangements when concluding administrative agreements.

For example, if a province administers a federal tax, the taxpayer will be able to write only one cheque to the province, both for the federal and provincial taxes. These arrangements can cover income as well as sales taxes.

This type of agreement ensures a better and more effective administration of taxes, thereby contributing to the improvement of our tax system.

In conclusion, Mr. Speaker, this bill provides for a fair and generous renewal of the equalization program while maintaining budget accountability. Also, by facilitating the mutual administration of taxes between the federal and the provincial governments, those tax measures will help improve the tax system of our country.

Mr. Speaker, those are positive objectives that are not controversial. The provinces approve the renewal and the improvement of the equalization program, and I believe that all Canadians are very supportive of initiatives aimed at making our fiscal administration more simple, more effective and less costly.

• (1200)

Today, the members of the House have an excellent opportunity to support an initiative that has the support of Canadians. I hope that we will all seize this opportunity by ensuring a quick passing of this bill.

[*English*]

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, first I would like to congratulate my colleague.

[*Translation*]

I appreciated her comments, and I must say she touched on some very important issues. I intend to do that as well, and there are also a number of questions I think should be discussed and which we should try to understand.

[*English*]

Bill C-60, as we have already been told, really extends the equalization of transfer payments.

It is important for all of us and for those Canadians who are watching to understand there is \$39 billion that is transferred in equalization, EPF for health and education, and for the Canada Assistance Plan. That is roughly \$8 billion on equalization, \$20 billion on EPF and \$7 billion on CAP. That comes up to \$35 billion. The other \$4 billion is a number of other transfer payments.