

## FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS—AMOUNT OF TRANSFERS TO PROVINCES

**Mr. Hal Herbert (Vaudreuil):** Mr. Speaker, on March 19, I had a question on the amount of transfers under the federal-provincial fiscal arrangements. Under these arrangements, the Government of Canada will be paying Quebec \$35.2 billion. Considering the total population of this country, Quebec is receiving one-third of total transfers to the provinces. Quebec will therefore be receiving \$14.6 billion more over the five-year period 1982-83 to 1986-87 than it received during the period 1977-78 to 1981-82. I asked this question because quite frankly, when I hear a speech by the Premier of Quebec, he is always talking about cutbacks. I feel that it would be an excellent idea to set the record straight once again. For instance, for health services Quebec will receive \$13.6 billion over the next five years, which represents an increase of \$5.8 billion over the \$7.8 billion Quebec received during the past five years. During the next five years, the Government of Canada will be transferring \$5.8 billion to Quebec for post-secondary education, representing an increase of \$2.5 billion over the past five years. I repeat, from \$3.3 billion to \$5.8 billion.

Under the item of equalization payments alone, Quebec will be receiving \$15.8 billion between 1982 and 1987, compared to \$8.7 billion over the last five years, representing an increase of \$6.9 billion. This adds up to an average increase, over the next five years, of 10.8 per cent, or a total increase of \$15.2 billion. That is why I asked my question about the amount indicated in the federal estimates, and in answer to the question I put to the Minister of Finance (Mr. MacEachen), I received a reply on February 22, indicating that the amount budgeted last spring in 1981 for the equalization program for Quebec was \$1.7 billion, and because of changes in the votes this was increased to a total of \$2.1 billion at the end of the year, which means an increase of \$400 million over the past year.

The Premier of Quebec has never mentioned this increase. And this year, with an increase from \$2.1 to \$2.5 billion, will bring another increase of \$400 million. I should like to obtain confirmation from the parliamentary secretary regarding the amount, which I believe to be accurate, to make sure there are no discrepancies in the figures I used this evening.

● (2205)

[English]

Supplementary estimates C for last year show fiscal equalization for Quebec at \$268 million, and Supplementary estimates E list Quebec at \$9 million, for a total of \$277 million.

I would like an explanation from the parliamentary secretary to clear up any doubt, since I have referred to an increase of \$400 million for last year. Because I want no misunderstanding as to the accuracy of the figures I have read for the current year, the year just beginning, the parliamentary secretary might like to explain the reason for the discrepancy

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to which I referred in the question which I put to the minister on March 19 last.

**Mr. Douglas Fisher (Parliamentary Secretary to Deputy Prime Minister and Minister of Finance):** Mr. Speaker, may I begin by complimenting the hon. member for Vaudreuil (Mr. Herbert) for correctly underlining the size and the importance of federal transfer payments to the province of Quebec. The hon. member has quite rightly pointed out the significance of these payments to the ordinary people and the quality of life in that province.

There is an increase of \$340 million in Quebec's 1981-82 current year entitlement. That represents the difference between the first official estimate of January 14, 1981, which was \$1,780 million, and the latest or third official estimate of December 29, which was \$2,120 million.

For any given fiscal year, three estimates of current fiscal year entitlements enter into the determination of the actual payments to an equalization receiving province with respect to that fiscal year. Other calculations of prior years' entitlements are also completed during the course of the year and the results of these re-estimates can also have an impact on the actual size of the cheques which are sent to the provinces.

As this information from the current year and prior years becomes available, the remaining payments to the provinces in that fiscal year are adjusted and the next available set of supplementary estimates are used to tell the House of the changes to the cost of the equalization program.

Therefore, starting with the main estimates current year entitlement for all equalization-receiving provinces of \$3,627 million, if one then adds the amount in supplementary estimate C of \$358 million and supplementary estimates E, \$105 million, one arrives at the third official amount of \$4,135 million for 1981-82 current year entitlements.

As for the province of Quebec, which receives by far the largest portion of equalization payments, if one adds to the main estimates the amount of \$1,842 million, the increase of \$268 million listed in supplementary estimates C and \$9 million in supplementary estimates E, one arrives at \$2,119 million, the level of payments which that province will receive in 1981-82 for the current year.

I again congratulate the hon. member for Vaudreuil for taking the time to bring to our attention this very sizeable payment from the federal government to the province of Quebec.

GOVERNMENT ANNUITIES—YIELD TO PURCHASERS. (B)  
REQUEST THAT GOVERNMENT REDEEM LOW YIELDING ANNUITIES

**Mr. Gus Mitges (Grey-Simcoe):** Mr. Speaker, on Thursday, April 1, as reported at page 16042 of *Hansard*, I questioned the Minister of Employment and Immigration (Mr. Axworthy) regarding the current yield to purchasers of government annuities.