

Federal Transfers to Provinces

resources. What is more natural under the present federative system than to try to equalize revenues as much as possible according to the natural resources of all provinces, not their per capita income but their financial position, so that the Government of Canada can redistribute the taxes collected from Canadians taxpayers to ensure some kind of equality—

• (1700)

Mr. Tousignant:—equity and justice!

Mr. Dubois:—as the hon. member for Témiscamingue has just said, equity and justice.

However, I point out to Quebecers that the Quebec government will no doubt say it is not enough. When one looks at the figures, one cannot help saying it is a lot just the same and enough to enable the Quebec government to supply services comparable to those enjoyed by the average Canadian, so long as they manage provincial finances with a minimum of efficiency and care. That is why, Mr. Speaker, I say to Quebecers that they should be wary when they are told in the coming weeks or months: "People of Quebec, we are unfortunately compelled to increase your taxes." Yet, Quebecers are not overtaxed so much, only 20 per cent more than in Ontario and more indeed than in the province of my colleague, the Minister of Veterans' Affairs (Mr. Campbell), a rather small province where the tax rate is lower than in Quebec.

It is in this *belle province* of Quebec that gas is more expensive than elsewhere. It is also in this *belle province* of Quebec that hydro costs more than elsewhere. We, Quebecers, have seen our tax bills go up by some 16 or 17 per cent. I was quite surprised, Mr. Speaker, that in my riding and throughout the province for that matter, with regard to gas, hydro and tax increases, people did not try to blame the Canadian government or, better still, Ottawa: I was very surprised to hear nothing to that effect. But, Mr. Speaker, those are the facts on the basis of which Quebecers, both men and women, have to judge the financial situation of their province as compared with that of the nation as a whole.

Mr. Speaker, may I now broach the figures that were quoted by the Quebec government at the last federal-provincial conference held in February. Referring to those figures, financial arrangements for the coming five years were being discussed; Quebecers were told on the national network that the federal government was making proposals for the year 1982-83, within the framework of a five-year plan. What splendid rhetoric, what wondrous mathematics! To be told that a five-year plan is being negotiated taking into account only the year 1982-83! The forthcoming years, up to the end of the plan, to the end of the five-year program, that is 1986-87, were of no consequence whatsoever. But it was good propaganda, and it was a good opportunity for indulging in the rhetoric Quebec does so well, and to tell the people: Listen here, according to the tables showing fiscal arrangements over the five-year period from 1972 to 1977, we got so much money;

from 1977 to 1982, we got a little less, and over a five-year period ending in 1986-87, only 1982-83 was mentioned, the amount was even less than before.

Mr. Speaker, in view of this situation and the figures being mentioned, a number of questions come to mind. How come, as a result of proposals made between 1977 and 1982, Quebecers are receiving one third of fiscal transfer payments, and, in terms of figures I gave earlier, fiscal equalization payments according to the proposed formula will rise and keep pace with inflation over the next five years? Are Quebecers, in terms of the budget, is the province of Quebec—and we are only discussing fiscal equalization payments—is it not clear, Mr. Speaker, that the province of Quebec, by receiving this third, and I am referring to total federal transfers, can we say that Quebecers, with the taxes they are getting back . . . It is really extraordinary, and it should be pointed out again and again to Quebecers: We represent one fourth of the population of Canada and we are getting one third of the fiscal transfer payments. A number of Quebecers, faced with a certain degree of credibility reflected by the federal system, are beginning to question a government that is setting itself up more or less as our own Quebec government and telling us: You are not getting your fair share, let's stay in our own little Quebec, let's separate and we can check all this out ourselves. We are complaining about the present financial situation, when we are getting more money per capita. I think we should be asking ourselves these questions, and we should be giving Quebecers the answers within the coming weeks, and that is why, Mr. Speaker, in this situation, I am not ashamed to tell my constituents in Lotbinière: You are getting one third of the fiscal transfer payments although you only represent one quarter of the Canadian population.

• (1710)

[English]

Hon. Flora MacDonald (Kingston and the Islands): Mr. Speaker, it has been said by others who have taken part in this debate that this is a very important bill. Indeed, it is the fiscal framework of confederation, and this behooves us to address the bill very seriously.

Just over five years ago when I spoke during second reading of the act whose amendment we are now considering, I said that the act itself, which was brought in in 1977, represented federalism at work, embodying as it did a consensus which all parties involved in the negotiations concluded they could live with. That was the situation in 1977. All parties who were involved in the negotiations at that time concluded that they could live with the outcome of the negotiations.

When I spoke to this act some five years ago, I was able to note with satisfaction that it provided for adequate but by no means generous funding on the part of the federal government for four vital national programs. They were equalization, hospital insurance, medicare and post-secondary education.