

*Government Orders*

saltfish sector to demonstrate the point I was making.

Let me come directly to this Bill C-60, an act to amend the Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act. Let us also be very clear on the mechanism here, the transfer mechanism. What is really at the heart of much of the debate is the notion that somehow a great big grand-daddy, a great big federal government with big fat pockets, is out of the goodness of its heart saying: "Here Newfoundland, here are a few bucks for health and Manitoba, here are a few shekels for your post-secondary education", and so on.

That is not the issue at all. The issue is very different. We really have to go back to the introduction of income tax during the First World War to understand that what is happening here is not a matter of a big kind-hearted federal government just giving out funds willy-nilly to the provincial governments. When the Income Tax Act was introduced in 1916 or 1917, or whenever it was during the First World War, it was for a very particular reason, to allow the central government, the federal government, the national government in Ottawa to collect certain funds on behalf of the provinces and on its own behalf.

• (1540)

That is basically where this whole business began, the whole concept that the central government was best positioned to collect certain taxes. I realize that it goes beyond income tax to other taxes as well. Having collected those various taxes because it was best positioned to do so, it then sought ways to expend those funds to the betterment of the people of Canada.

In seeking those ways, that government and subsequent governments, whatever their political stripe, because they have all been Conservative or Liberal over the years, found out very quickly that most of the issues needing some amelioration and some betterment—health, welfare, education—were all in provincial jurisdiction. They are all matters which under the Constitution fall not under federal jurisdiction, but provincial jurisdiction.

There developed Established Programs Financing. There developed a stratagem of finding ways to take the

money which had been collected by the federal treasury and filter it out to the provinces so that they could pay for post-secondary education. The idea that somehow the big rich uncle is giving out to the provinces is a misrepresentation.

In principle what is happening is the central government is doing what it ought to be doing and no more. It is on behalf of all Canadians helping to see to it that people in all corners of this country have adequate access to health care, post-secondary education and so on. That is the mechanism.

Depending on who is on that side of the House, we hear speeches about the mechanism I have just described and which has been in place since 1916 or 1917 with refinements and improvements over the years. It was not called EPF at the time, but certainly that was the genesis of these transfers. Now we hear great speeches about how somebody over there last week or last month or since they came to power invented the wheel again and came up with all these ideas. They became even richer uncles or aunts of the provinces and gave them even more money. They produced tables called the "Growth of Federal Transfers" to the provinces.

I put it to any Canadian listening from any part of this country. If he or she took his or her family income or individual pay cheques and went back from 1984 to 1992 and put each year's salary on a little bar graph such as this, they would very quickly come up with a graph that looks much like this. They would find eight years later they are actually earning more dollars than they were in 1984. More dollars. But if I put to them the second question: "Do you have more purchasing power than you did in 1984?", the answer might be quite different.

I remember when I first went teaching in a little community on the north coast of Newfoundland, a community called St. Anthony. One of the staples there and one of the things I enjoy even now with all the cartons of fresh milk around is the old can of condensed milk for my tea. In those days it used to cost 14 cents a can. Now I suppose you pay 94 cents a can. Do not let anybody tell me that that means the farmer is making six or seven times as much money on the milk as he was in those days. Do not tell me that the farmers' purchasing power has gone up that number of times.