

Some hon. Members: Oh, oh!

Mr. Bosley: The hon. member for York East (Mr. Collette) will know to what I am referring. When I was a little boy in Toronto, if I was lucky, I was taken to the then art gallery of Toronto, which is now the Art Gallery of Ontario. On Saturday mornings there were sessions for young people, which was one way in which we were encouraged to take an interest in the arts. A morning show was put on for children, the star of which was a gentleman known as Peter the Magician. He also performed at the toy department of Eaton's. As children, most of us thought that we would never see again the likes of Peter the Magician. He had an incredible capacity for sleight of hand. I listened today to the Minister of Finance, and I think Peter the Magician has met his equal. The suggestion that one can take \$111 billion over five years, cut it to \$105 billion and say, "I have not cut but have increased", is a sleight of hand worthy of Peter the Magician.

Also I was reminded of one of the most famous debates which occurred between the Oxford and the Harvard debating teams. The Harvard team rolled in with reams of facts, impressive lists of facts, and used statistics which boggled the mind and numbers which spewed out of card file systems. In response, the captain of the Oxford debating team simply looked at the captain of the Harvard team and said, "I have listened with great interest to all the items mentioned by the captain of the Harvard debating team. I have to say to him in humility that much of what he said was true and much of what he said was relevant. Unfortunately none of what he said that was true was relevant, and none of what he said that was relevant was true." This is the exact thing I want to pursue with regard to what we heard today. For example, the minister made a great deal of the changes in federal spending power from 1961 to 1981. He indicated that the federal share in advance of transfer payments had dropped from 57 per cent to 49 per cent, and that the total revenue pie, after transfers, had dropped from 50 per cent to 37 per cent. Those are true figures but they are irrelevant to the issue. The issue is a change in procedures agreed to originally by the provinces and the federal government, for the purposes of this debate, in 1971 and modified in 1976 and 1977. If one wants to use relevant figures in order somehow to prove a point, one should at least use figures which relate to the period of time about which we are talking. I understand why the minister did not use those figures. It was because they do not make his case. In fact, they make the opposite case. Not surprisingly, he would not quote them to the House, but I will.

In the period from 1971 to 1981, federal revenues after transfers increased by 286.5 per cent. Federal expenditures after transfers increased by 339.6 per cent. Federal transfers to other levels of government increased by only 225.2 per cent. Those numbers are all large numbers, Mr. Speaker. But between 1971 and 1981 the federal government has increased its share of spending on everything else. It can hardly argue now that it must reduce transfer payment requirements, because it has been giving away all spending power to the provincial governments. The figures are clear. The figures are from the minister's own budget document. The minister ought at least to use the accurate figures relating to the period of

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time that he is talking about if he ever wants to convince anybody that somehow the federal government has been hard done by during that period of time.

• (1750)

If the minister's figures are irrelevant, we might go to one of the minister's relevant comments. His most relevant comment occurred, I suggest, in the debate today when he pleaded on behalf of restraint. The minister suggested that because the government is so committed to restraint on the 80 per cent—and I will return in a moment to the topic of the government's commitment to restraint—that as it is doubling the advertising budget and buying two new planes for cabinet ministers, the government clearly must be committed to restraint on the 20 per cent that goes to the provinces under these programs. That is certainly a relevant argument, but it is simply not true.

It is not true that the government proposes to restrain its spending on the other 80 per cent. Those figures are equally from the minister's own documents. The hon. member for Mississauga South spoke about this, and I will expand on these figures. They are very revealing. According to figures published in the budget, between the current fiscal year and 1983-1984 the federal government expects to increase its revenues after transfers by 38.1 per cent; to increase its expenditures after transfers—excluding public debt interest, which under this government is likely to become a horrendous figure—by 31.8 per cent, while increasing its transfer payments to other levels of government by only 13.7 per cent. That is considerably less than the expected rate of inflation over that period. Consequently, according to the government's own figure, contrary to the claim of the Minister of Finance, relevant as it was but not true, transfers as a percentage of federal revenues will drop from their projected 1982-1983 level of 21.3 per cent to 18.3 per cent in 1983-1984. But the share of federal expenditures, again including public debt interest, will fall from a projected level of 23.8 per cent in 1981-1982 to 21.2 per cent by 1983-1984. Those figures would compare to levels—and these are most revealing—of 25.1 per cent for revenues and 28.0 per cent for expenditures in 1971. Not only has the government chosen, as is its privilege, to increase its spending rapidly and dramatically on everything else, but it is now choosing to reduce the share of its budget that will go to programs which support the basic services on which Canadians rely across this country, delivered to them by provincial governments, originally at the request of the federal government. This is a point to which I will return later.

To suggest, therefore, that the reason these transfer payments need to be restrained is the restraint program globally, implies that the federal government was actually proposing to restrain the rest of its spending and taxation of Canadians. Perhaps in that context it would be fair to restrain transfer payments.

I think most Canadians are well aware that restraint must now be the order of the day until the economy grows again.