

Federal-Provincial Fiscal Arrangements

inces directly, by equalizing the tax point transfer to the average, not to the top.

It cannot be argued that the government was unaware of the consequences of this kind of change. The Prime Minister himself said at the December meeting "the richer provinces were bound to benefit more from the tax point transfer than were the poorer provinces." I am quoting from the transcript of the official proceedings of the meeting. I hope when Conservative members go back to their constituencies in Atlantic Canada, they will make it clear that the principles they are supporting today will make it clear that the principles they are supporting today will have negative effects in Atlantic Canada. When they return to their constituencies I hope they will not reverse their position on this legislation. I hope they will not do what they did with regard to the government's unemployment insurance changes when they discovered the implications of those changes.

Mr. Woolliams: I thought that was a good amendment.

Mr. Broadbent: Knowing that the rich provinces were bound to benefit more from the tax point transfer than the poor provinces, the Prime Minister proceeded to force on the provinces the most regressive set of federal-provincial financial measures to be brought forward since the Second World War. I see this move as reflecting a philosophy of federalism which is inherently unfair and dangerous to national unity. One of the factors holding Canada together is a social security system which has common elements from coast to coast—unemployment insurance, family allowances and old age security. Canadians share these on an equal basis, not on the basis of the ability of their provinces to foot the bill. They identify in part with the nation's capital because they perceive the fairness of treatment involved in these programs. Until now many of us in the House of Commons regarded hospital care, medical services and post-secondary education as permanent parts of this attempt to build equality of condition across Canada.

The introduction of this bill means that inequality in Canada will increase, not diminish. The wealthier provinces will be better able to maintain and improve their positions in all these fields. For the poorer provinces the situation is reversed. For them it will be more difficult to maintain present programs and almost impossible to introduce new ones.

Giving the poor provinces additional tax points is analogous to saying that millionaires and poor people have equal rights to buy cadillacs. Basic and central to this proposal is the fact that some 13.5 tax points are being taken away from the national government, which is in a position to correct glaring inequalities, and given to the provinces. Just imagine what 13.5 tax points will mean for Prince Edward Island, as opposed to what it would mean to Ontario, Alberta or British Columbia. No wonder people interested in fairness find this proposal repulsive.

The NDP has always believed that the national government must play a major and innovative role in Canada's social security programs. It is absolutely essential, for the sake of

[Mr. Broadbent.]

equality in Canada, that the national government should innovate and maintain programs of high quality in all regions. It is absolutely essential, for the sake of national unity, that Canadians wherever they live in this country, whether in Cape Breton, Toronto, Calgary or the Gaspésie region of Quebec should perceive that when they participate in certain fundamental programs they are treated as equals. In this bill we see the beginning of the categorical rejection of the co-operative federalist approach so imaginatively embarked on in the 1960's by the late prime minister Pearson. He took up the challenge thrown out by a number of Canadians and, in the name of decency, used the powers and financial capacities of the central government to make the country's social programs fairer for all.

By introducing this legislation, and I say this with care and seriousness, the government has begun a process of balkanization which, in a few years, could pit the rich provinces against the poor provinces in a way we have not experienced for decades. That should be of concern to everyone who is disturbed by the crisis of Confederation.

Unless significantly corrective steps are taken soon, the full impact of this bill on our country's future will be negative indeed. Therefore, because we believe in national standards, because we believe that Canadians one day ought to live together in a state of genuine equality, and because we are very much committed to maintaining a sense of unity in the country, which can only come about if people share on a common basis the benefits of citizenship, we reject this bill, will vote against it and will, in the years ahead, just as we have in the past, propose a positive role which the federal government should play in these areas of concern.

Some hon. Members: Hear, hear!

Mr. Woolliams: I didn't hear much applause. I would have clapped if I had known there would be so little response.

Mr. Broadbent: I would be concerned if you thought my speech good, Eldon.

[Translation]

Mr. C. A. Gauthier (Roberval): Mr. Speaker, I was here when the Minister of Finance (Mr. Macdonald) began his statement, but unfortunately I could not come back at two o'clock because there was a delegation in my office and they did not leave before three o'clock. I would have liked to hear the entire speech of the Minister of Finance as well as that of the Leader of the Official Opposition (Mr. Clark). Nevertheless I want to say a few words on the beginning of his statement which surprised me at first because he was apparently congratulating himself for the last fiscal agreement and the last meeting with his provincial counterparts.

We were under the impression that his first meeting with the provincial finance ministers had not been successful because for the first time the ministers stood united against the federal Minister of Finance. This is why I am somewhat surprised by the comments of the minister who gives us to understand that everything was fine. According to him, the