

consider a particular status for Quebec despite the fact that Quebec has had that particular status since 1867. The Prime Minister told the people of Canada that his inflexible position would ensure a one-Canada policy. In 1968 the Parti Quebecois had the support of about 8 per cent of the people in the province of Quebec. Now, in 1977, they are the government of the province of Quebec. Surely that ought to teach the government and the rest of us something, that the approach to this problem must be one of flexibility, good will and understanding. I think that the Prime Minister in recent weeks has begun to relent; he is now somewhat less adamant than he has been for the last nine years.

I am not so naive as to think that concessions offered to Quebec will change the minds of confirmed separatists. I think those who are convinced that Quebec should become a sovereign power probably hold that position so firmly that no amount of concessions will make any difference. It would be wrong to make concessions which could weaken the national government of this country to the point where it had not the necessary powers to govern the country and to enable this country to operate as a nation. I am equally convinced that a majority, probably a substantial majority, of the people of Quebec want to remain in confederation if they can be convinced that within the federal system their province, along with the other provinces of Canada, will be treated fairly and justly. It is the responsibility of the House of Commons to demonstrate that under our federal system all regions of Canada are treated equally and fairly. Unfortunately, the government has chosen this particular time to introduce a measure which is both unfair and discriminatory.

The provinces are being compelled, with a gun at their heads, to accept a revision of fiscal arrangements, a revision which has enabled the federal government, under the guise of a restraint policy, to transfer many of its financial burdens to provincial governments, provincial governments which have a narrower financial capacity than the federal government for coping with these burdens. Hon. members have heard talk, for example, of the revenue guarantee program and the changes the federal government has instituted unilaterally. Those changes will mean a reduction of over \$400 million in the revenues our provinces will receive.

Also let us consider cost-sharing programs. Under those programs provinces formerly were entitled to claim from the government of Canada 50 per cent of the money they spent on hospital insurance, medicare, post-secondary education and welfare expenditures incurred under the Canada Assistance Plan. The Secretary of State (Mr. Roberts) said this afternoon that the provinces will be pleased with this change, with this alteration in the 50-50 division of expenditures, because it will relieve them of the necessity to spend dollar for dollar what the federal government spends. Surely that statement was the height of absurdity, for it was the federal government which was required to spend dollar for dollar what the provinces spent. Now the provinces will have certain responsibilities in these important areas without any assurance that the federal government will match their expenditures dollar for dollar.

Federal-Provincial Fiscal Arrangements

Instead, the provinces are to be given tax points for personal income tax, corporation taxes and cash grants.

A government spokesman argued that this change to tax points and cash grants will provide the flexibility which the old 50-50 cost-sharing programs did not provide. That argument will not hold up under examination. It is true that under the 50-50 cost-sharing program there was a certain lack of flexibility because the federal government said it would only meet certain costs on a 50-50 basis. Consequently, the provinces were compelled more and more to build acute treatment hospitals instead of more nursing homes, instead of providing home nursing services and instead of providing meals on wheels. That flexibility could have been provided within the 50-50 cost-sharing program by saying to the provinces, "We will meet 50 per cent of what you spend on hospital insurance, medicare, post-secondary education and welfare assistance, no matter whether you divert it to one part of the program or to another aspect of it."

• (1600)

One of the most unfair features of the tax points system is that it treats the provinces differently. One tax point can mean \$10 per person in one province, and \$4 per person in another. Surely that is manifestly unfair. The inevitable result will be that some provinces will get more revenue from these tax points allocated to them than other provinces. Consequently, some provinces will be able to establish a higher standard of service in cost-sharing fields than other provinces. We will have destroyed what has been a matter of pride in this country, namely, that we have national standards for hospital care, medicare, post-secondary education and welfare. When we begin to have different standards for these important services for the people of Canada, we embark upon a road which will lead eventually to the balkanization of this country. The government is moving in a dangerous direction when it undertakes such a step. Inevitably, depending upon tax points for financing a substantial part of this program will result in disparities between the provinces.

Yesterday I listened to the hon. member for Kingston and the Islands (Miss MacDonald). As reported at page 3241 of *Hansard* she made the statement that the hon. member for Oshawa-Whitby (Mr. Broadbent) was less than honest when talking about this disparity of treatment between the provinces because of the transitional tax equalization provisions. I have tremendous respect for the hon. member for Kingston and the Islands. However, I ask her to look at the total picture—not at any estimate which I have made, but at the figures which have been filed by the Department of Finance. I invite the Minister of Finance (Mr. Macdonald) to make these documents available to the members of this House and certainly to make them available when the bill is being discussed in committee.

On the basis of the tax differences on the total receipts which the provinces will get from the fiscal year 1977-78 to the fiscal year 1986-87, a ten-year period, what do we find? We find that in the ten years covered the province of Ontario will have a cumulative increase of \$1,300 million. The province