

*Government Orders*

anthem in the province of Quebec with the national orchestra and its one-third Quebec members.

**Mr. Edmonston:** I understand the question from my hon. colleague. He is right in the sense that there is a lot of symbolism involved and symbolism in the sense of what sets off the polarization that we have between French and English. We can talk about the symphony where we have people in Quebec saying: "When you come with your symphony we don't want you playing *O Canada*". I disagree, I think *O Canada* is fine.

We will get beyond symbolism to the tangible in a moment. I just want to mention that symbolic gestures are taking on a life of their own in this country, which is very frightening. When we have for example one of the members of the Alberta legislature, Mr. Piquette, who was told to sit down because he was French-speaking and just simply wanted to throw a question out in French, that reverberates throughout the country.

When we have Quebec's flag being trampled on, by a Quebecer by the way, in an Ontario city—

**Mr. Holtmann:** I don't know them.

**Mr. Edmonston:** One of my colleagues on the other side said he does not know this particular individual. I am sure he does not, but this makes the symbolism very real.

I just want to respond that all the moneys which Quebecers receive through transfer payments, equalization payments, they will tell you: "We believe through our tax dollars that we deserve that amount".

**Mr. John Reimer (Kitchener):** I appreciate the opportunity to make a few comments during second reading of Bill C-60 which amends the Federal-Provincial Fiscal Arrangements Act and the Federal Post-Secondary Education and Health Contributions Act.

I would like to begin my remarks by briefly warding off a possible misconception about this bill. Despite its title, the legislation has only a peripheral and a positive effect on federal contributions to post-secondary education and health.

The peripheral involvement of health and education results from the fact that the proposed legislation corrects a transfer shortfall under Established Programs Financing or EPF that was caused by the interaction of this health and education transfer program and another federal transfer program that often is referred to as equalization. Our focus on improving equalization in this legislative proposal therefore of necessity has a slight positive impact on EPF transfers to equalization-receiving provinces.

Having made clear what this bill is not about, I would now like to explain what this bill proposes to do.

This bill involves the renewal of the equalization program, the cornerstone of Canadian fiscal federalism. This renewal follows more than 20 months of consultation with the provinces both at the official level and at the ministerial level. This bill also will facilitate co-operation between the federal and provincial governments in the mutual administration and enforcement of each other's taxes and will simplify the payment of taxes for taxpayers and for governments.

I would like to begin with a brief overview of the purpose of equalization. The purpose of equalization which is enshrined in subsection 36.2 of the Constitution Acts of Canada 1867 to 1982 is to enable provincial governments to provide reasonably comparable levels of public services at reasonably comparable levels of taxation.

I think it is important to stress exactly what is said, that it is to provide reasonably comparable levels of public services at reasonably comparable levels of taxation.

Because its benefits flow only to the less wealthy provinces, it is the most progressive of the major transfers to the provinces. In 1992-93 fiscal year, the government will provide about \$8.5 billion in equalization to the less wealthy provinces. That is all of the provinces except for Ontario, Alberta and British Columbia.

Second, in renewing the equalization program, this bill provides a package of fair and generous improvements,