

The Budget

Farmers from the west are faced with the elimination of the Crow rate, a grain transportation subsidy. However, they are being very generously compensated by non-taxable cash payments. Double standard. Regrettably, there is another case. We will talk more about the other cases in the next few days. In the defence sector, for example, a recent study found that Quebec is getting \$600 million less per year than the share of military contracts and spending it would get if its share were weighted according to its population.

Six hundred million dollars per year, and to top it off, Quebec does not have its quota of Canadian military bases. Already, it is getting short shrifted out of defence spending, should it not get its fair share of military bases? So what does the budget say? Another Quebec military base, Saint-Hubert, will be closed and staff at another, in Bagotville, will be cut. You may reply that there will also be cuts in the rest of Canada. No. Of course there will be cuts elsewhere, the scale is already off kilter. The latest decisions only tip the scale more in their favour. Even if we take transfer payments into account in comparing the current situation with the situation that will be created once the new transfer payment arrangements are implemented, we must draw the same conclusion.

• (1250)

In Quebec, federal transfers are going to shrink away: \$7.4 billion today; in three years, \$6 billion. Another paragraph from the budget seems to predict even darker hours: "So we are prepared to address those issues by funding CAP in a similar way as we fund the existing EPF transfers for health and post-secondary education". This statement is very ambiguous. Quebec receives approximately 35 per cent of CAP's funds and some 25 per cent of EPF transfers. But if demographic considerations take precedence over those of real need in calculating the Canada social transfer, the result will of course be an additional shortfall of several hundreds of millions of dollars for Quebec.

One paragraph in the budget plan suggests that such a re-orientation is not beyond the realm of possibility. One of the justifications given for the new Canada social transfer is as follows, and I quote: "Federal expenditures will no longer be driven by provincial decisions on how, and to whom, to provide social assistance and social services". This looks very much like a pulling back from a more socially oriented approach.

And what better time to point out the very real asymmetry of Canadian federalism? If the federal government does not like the provinces forcing its hand, it could draw a line and withdraw beyond it. But for decades the provinces, particularly Quebec, have had to bow to the wishes of the federal government, with no power to keep it from interfering. It is probably in the field of health that this relative powerlessness of the provinces is the most in evidence. The budget states in no uncertain terms that the federal government will make increasingly smaller payments for health costs, while ordering the provinces, who

already carry the bulk of the financial burden, to meet the standards set out in the Canada Health Act.

Less for health, less for social assistance, less for the unemployed. When we know that the elderly now account for 40 per cent of all health care needs, and that this proportion will continue to grow, we can only conclude that this budget marks a change of direction in social policy that could indeed be described as harsh and insensitive. Is Canada so poor, is social solidarity so fragile that the poorest and most helpless in our society must bear the brunt of the necessary fight against public waste?

However, this change in social policy will not take effect tomorrow but only a year from now. The government is trying not only to impress the financial community but also to influence the results of the referendum by postponing until after the Quebec referendum all projects it is about to cut and slash. When will it clear-cut transfer payments to the provinces? In one year. New UI restrictions? They will be discussed in the fall and start in July 1996. What about the debate on income security for seniors? In the fall, with major changes already proposed for implementation at the beginning of 1997, particularly for the old age security pension.

[English]

One does not need to be a rocket scientist to realize that the federal government is playing the waiting game. It would dearly love to see the referendum take place tomorrow. But how could anybody decide now between two fundamental options when the federal side does not want to clarify its position on all those dossiers that it is keeping in its bosom? Does it think Quebecers have forgotten about May 1980? The trap was sprung once. It will not happen a second time. I say to those in front of me: "Clear the air. Show us what you have up your sleeve. The people want to know what you are going to offer them".

One thing at least is clear. All the hoopla about the budget led some to believe it could rekindle the flame of a new federalism where the federal government would retire from provincial jurisdictions and send the appropriate fiscal resources to the provinces. For many people the deception must be all the more cruel. The idea of a dominant central government and of 10 "infeodated" provinces is as present as ever.

• (1255)

[Translation]

Canadian federalism encompasses financial and regulatory powers. For a long time, the federal government enjoyed both types of powers. Today, because of its meddling, it lacks financial power. That is why it holds on to regulatory powers in the name of a certain conception of the Canadian "nation" that the people of Quebec have always rejected. If the federal government manages to shift a significant part of its deficit to the provinces, it will clean up its finances, at others' expense, of course. It is already thinking about it, as the budget clearly