HOUSE OF COMMONS

Friday, March 31, 1995

The House met at 10 a.m.

Prayers

GOVERNMENT ORDERS

[*English*]

BUDGET IMPLEMENTATION ACT, 1995

The House resumed from March 30 consideration of the motion that Bill C–76, an act to implement certain provisions of the budget tabled in Parliament on February 27, 1995, be read the second time and referred to a committee; and of the amendment.

The Acting Speaker (Mr. Kilger): I would like to make the House aware that during the next 54 minutes of debate members will have 20 minutes to make their speeches which will be subject to a 10–minute question and comment period. After the 54 minutes, the House will proceed to the next stage of debate and members will be allowed a 10–minute maximum.

[*Translation*]

If I am not mistaken, the last person who spoke yesterday was the hon. member for Glengarry—Prescott—Russell and we were at the question and comment period. Are there any questions or comments?

Resuming debate with the hon. member for Hochelaga—Maisonneuve.

Mr. Réal Ménard (Hochelaga—Maisonneuve, BQ): Mr. Speaker, I am pleased to speak on Bill C–76. For the benefit of those who are watching us at home, let me repeat that this bill deals with budget measures, notably the important issue of transfer payments to the provinces.

I would like to remind them that, when we talk about transfers to the provinces, for this past year at least, we are in fact referring to three main sets of programs. We are referring to three categories of transfers, namely those under established programs financing, which the federal government has reduced by $21 billion for 1995–96, under the equalization program, which the government has reduced by $8.87 billion, and, finally, under the Canada Assistance Plan, which the government has reduced by $7.95 billion.

It is important to remember that transfer payments to the provinces are a matter of particular importance in a federal system, since, in a federal system, the relationship between the federal government and the provinces is absolutely crucial. Whenever financial considerations are involved, we must bear in mind that a federal system is a system made up or based on three components. In any federal system, first of all, you have two main levels of government: a central government and the so–called subordinate administrations.

• (1005)

Depending on the particular system, these lower levels are called provinces, or landers, or cantons, but where there is a federal system, there are at least two levels of government, each of which is supposed to have sovereign authority over every areas of jurisdiction prescribed in the constitution. In the Canadian Constitution, these areas are listed in section 91. Section 91 lists the powers of the central government and section 92, the provincial areas of jurisdiction.

Finally, the last characteristic of federalism is the constitution, which is designed to delineate the respective powers of the two levels of government. Why do I feel the need to give these elements of historical background and political definition? Because, if the Canadian federal system were harmonious and responsive to the provinces, a system in which the jurisdictions established under the Canadian Constitution were respected, we would certainly not be passing or debating a bill like Bill C–76.

Why am I saying that? Because, in a federal system with two levels of government, where each level has specific responsibilities, financial equilibrium is understandably a matter of great importance. We can appreciate that, when one level of government decides unilaterally, without consulting the provinces, as this government is doing, to cutback transfer payments to the provinces, this is designed to have a destabilizing effect. We must keep in mind—and we will have an opportunity to say it again during the various debates to come—that, for all practical purposes, the federal government plans to use this bill to cut transfers to the provinces by $7 billion.

Let us recall the three programs through which funds are transferred. First, there is the Established Programs Financing for which the federal government plans to set aside $21 billion. As you know, Mr. Speaker, the Established Programs Financing in place since 1977, is the government vehicle for financing health care and post–secondary education. Of course, we know