

years and historically the central government seemed either incapable or unwilling to answer these crises. The political manifestations of the West and dismay over the circumstances led to the creation of political movements such as the Progressive party, that splinter party over here, the CCF, which is now called the NDP, and the Social Credit party. The self-image that western Canadians have of themselves is that of a cow fed in the west, housed in the west, but milked in the east.

The western historian, James H. Gray, has said that it was an article of western faith that the fruits of western labour all went to enrich the Ottawa government, St. James Street, Bay Street, and the rapacious tariff-protected manufacturers of Ontario and Quebec.

● (2050)

I simply bring some of these historical considerations and feelings which one hears enunciated from time to time—and you will be glad to hear, Mr. Speaker, that there will be a happy ending—to the attention of the House to indicate that there is, and has been over a period of years, strong sentiment expressed by many westerners regarding their position within Confederation. While the list of generally held concerns on the part of western Canadians has been a long one, extending from the conviction that western Canada should have a higher proportion of seats in the Parliament of Canada to the feeling that legislation directed to the west has been characterized by a kind of handout legislation as opposed to more appropriate changes in taxation policy to stimulate economic growth and self-sufficiency, it is important that we understand the feeling of western Canadians in respect to regional disparity and the fact that those within western Canada are today not receiving the attention they should from the central government.

The fact of the matter is that, notwithstanding these statements, there has developed a very strong feeling in western Canada that, despite the fact that they consider they are not receiving or have not received fair treatment from the central government, the vast majority of western Canadians do support the concept of a united Canada and reject out of hand any concept of separation. I hope that we will continue to be able to have the people of western Canada support this particular position. I simply want to point out to my colleagues in this House who come from the province of Quebec that there is some sense within other parts of Canada that the needs and aspirations of these other parts of Canada have not in fact been met by the national government. However, let me tell these members, as a representative from western Canada, that I propose to do everything within my power to promote the concept of a United Canada, including a Quebec that receives fair and equitable treatment. I know that this feeling is shared by other representatives from western Canada, regardless of party.

**Some hon. Members:** Hear, hear!

**Mr. Hnatyshyn:** I want to deal, Mr. Speaker, with some of the specifics of Bill C-37. I think that this bill, when boiled down, amounts to an attempt by the federal government to

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reduce its expenditures in health and welfare and the equalization of regional disparities. Despite the statements of the Minister of Finance to the effect that this bill represents the ingenuity of Canadian federalism, the bill represents nothing more than the attempt of the government to unleash the burdens of health and education costs upon the provinces. This is the government's motivation in hurrying this bill before the House, and it was its motivation in starting the whole process of federal-provincial meetings which led to this bill.

Understanding this, we must ask ourselves why the provinces are so ready to accept this change in fiscal responsibilities which adds to their already substantial burden in the entire area of education, health and welfare? Quite frankly, it is not because of the minister's claim that it gives the provinces greater flexibility in budgetary planning, but rather that the premiers and provincial finance ministers sensed that they were dealing with a federal government determined to reduce its responsibilities in the area of social services, and that the federal government was going to be totally inflexible in doing so. In short, the provinces understood that the revenue-sharing proposals of the federal government were the best they were going to get.

For the minister to argue that this bill is not going to disrupt the quality of social services across the country is to ignore the statements of the premiers upon leaving the federal-provincial first ministers' conference last December. Premier Blakeney of Saskatchewan, for example, predicted a revenue shortfall for the province of Saskatchewan because of this revenue sharing agreement, and said that taxes will have to be raised in Saskatchewan in order not to cut back services. Premier Bennett of British Columbia, according to an article in the *Ottawa Citizen*, said that although he will not increase provincial taxes in 1977, there will be a reduction in certain services. Indeed the key words in this bill are "revenue sharing". No longer is the government talking about "cost sharing"; rather it is talking about changes in its bookkeeping practices so the huge expenditures that are foreseen over the next five years in health care costs, for example, will show up on provincial ledgers instead of on its own.

This bill in the simplest terms represents a "take it or leave it" offer to the provinces and, as we have seen, the provinces, seeing nothing more equitable or sensitive to their needs on the horizon, took it. This "take it or leave it" aspect of the bill which the provinces were faced with also describes the situation that parliament, and in particular the opposition, finds itself in with respect to this legislation. This has been dealt with very adequately by the Leader of the Opposition and the hon. member for Kingston and the Islands.

The leader of the New Democratic Party, in a rather peculiar speech last Friday, said that the official opposition was supporting this bill and was doing so because of some perverse desire to increase the financial difficulties of the poorest regions and provinces of Canada. This criticism, besides being unjustified and unfair, fails to appreciate the difficulty we in the opposition are faced with every time this kind of legislation, representing the result of months of feder-