

*Government Orders*

That is really what the federal equalization payment system and the system of transfers for post-secondary education and health are all about. They are a very complex and a very important system of transfers and of government expenditures which have been developed over the years and of which all Canadians have a justifiable right to be proud.

If we look at the equalization payments formula, we will see that it is a marvel tying all of the sources of public revenue, the 37 or so provincial tax forms across the country together, and correcting the inadequacies in each of those tax forms in each of the provinces where they exist in order to make Canadians, for example living in Nova Scotia, able to aspire to the same level of public services as Canadians living in Ontario without having to move.

It really is a very remarkable and uniquely Canadian system that we have here and which we in Canada have a right to be proud of and to want to preserve as our government sought to do by enshrining the principle of equalization as item number 36 in the 1982 Constitution.

The minister was right in describing this as a cornerstone of the federal fiscal system in Canada. The legislation that is before us today makes what are somewhat minor amendments to this system, extending the legislation for two years and making limited changes that will not bind this country for the same number of years that it normally does, which is five years, by only extending the legislation to two.

Nevertheless, the importance of this legislation, the fact that over \$22 billion in funds were transferred to provinces and territories last year through this system and more than \$8 billion were transferred under the equalization payments program alone, means that parliamentarians ought to be concerned and ought to have the time in this House and through the parliamentary committees to really examine closely what is being done and what is being transferred through this system.

It is unfortunate that we are receiving this almost at the end of the period when those arrangements are expiring. The current equalization payments will expire at the end of March. Here it is March 9 and we are only now receiving the government's plan for extending the equalization payments.

My first point is that I would have asked that the minister give us more time as parliamentarians to understand the implications of what is being proposed in this bill even though it is not radically transforming the bill, but it is making certain significant changes to it. That is my first point.

The next point which I would like to make has to do with the minister's remarks that he has, in fact, consulted for over 20 months with his provincial counterparts. He reports today that they are very happy with the results of the consultation and with the improvements to the tax collection agreements and to the equalization payments that have been proposed in this legislation.

That may well be the case. Perhaps we should be rejoicing the fact that the Minister of Finance was able to achieve this degree of harmony, given the fact that more than \$600 million will be transferred to the provincial treasuries as a result of this legislation. I would not be surprised that the ministers of finance of the respective provincial governments would be happy with that arrangement.

I do not consider that a reason to be assured that the provincial governments are satisfied with these consultations because for many months Canadians have been very concerned about the erosion of the role of the federal government, the powers of the federal government and the abilities of the federal government to maintain a strong presence across Canada.

That was expressed time and time again throughout the debates of the special joint committee on the Constitution as one of the reasons Canadians are urging this government not to allow the federal powers to be weakened as they very much have been weakened and given away under this administration to the provinces and indeed to other countries, notably the United States.

I think we should be very concerned about that. I think we should be very concerned that the wholesale transfer of spending authority to provincial governments should not be given unequivocally and unconditionally. The federal government should maintain its abilities to act in the interests of all Canadians.

While it may be a good thing that the provincial ministers of finance were happy with the arrangements that go into this legislation, I have not had a chance to look at it in great detail, but I do not take that as any reason to be comforted as the minister would like to have me and other members of this House believe.