

*Government Orders*

for a total of \$7 billion. The amount of these cuts are in the budget.

By reducing transfer payments to the provinces this way, the federal government is transferring its public finance load onto the provinces while at the same time keeping the related tax points and the spending power in every area. In spite of all the good things promised in the budget, clause 48 of Bill C-76 is unmistakably clear; under this clause, Quebec will be deprived of \$650 million in 1996-97.

In 1997-98, the budget for the new program, the Canada transfer program, will be divided among the provinces based on a criterion that remains to be negotiated. If the criterion ultimately chosen is the one currently in use, this would mean a \$1.2 billion shortfall for Quebec in 1997-98. It could even be steeper, because no decision was made yet regarding on what basis calculations will be made.

In fact, the federal government seems to grant the requests of wealthier provinces, notably Ontario. Equalization aside, the government is seriously considering distributing all major transfers to the provinces on a per capita basis. If that were the case, Quebec alone would have to bear 41.7 per cent of the cuts in transfer payments in 1997-98 on account of its population. Therefore, Quebec would see its shortfall for 1997-98 increase from \$1.2 billion to \$1.9 billion.

This goes to show that this budget claims to have merits it does not have, as glaringly evidenced by the cuts to be expected next year. Another clear indication is the government's commitment to maintaining national standards. Bill C-76 maintains health national standards and provides for the introduction of new national standards for social assistance and post-secondary education.

• (1700)

Federal support will be withheld if the provinces do not comply with these standards. This centralizing and arrogant form of federalism has nothing to do with decentralization. These national standards will limit the provinces' autonomy in their own fields of jurisdiction, at their own expense. Again, the new standards which will be implemented coast to coast will not serve the interests of Quebec's distinct society, particularly in a sector as vital as education.

The bill provides for new national standards before negotiations have even taken place. The federal government is announcing the outcome of such negotiations before they are even underway. There is nothing in this legislation to indicate that the federal government needs a consensus among the provinces to

implement new national standards. Let us not forget that the federal government has the authority to unilaterally impose such standards through legislative amendments. If the provinces reject these standards, they will lose federal support, which, ironically, is provided with the money collected from provincial taxpayers.

Therefore, the new Canada Social Transfer will impose a \$7-billion cut to the provinces. In addition to that, clause 48 of Bill C-76 provides that a province must make mention of the Canada Social Transfer in all its advertising and documents related to the health services provided by that province.

Let me give you another example: As the critic for Veterans Affairs Canada, I noticed that Bill C-76 seeks to reduce benefits, allowances and compensation. Clause 42 provides for the gradual elimination of education assistance to children of deceased veterans.

Clauses 68 to 72 eliminate allowances to allied veterans in the Resistance, as well as allowances to uniformed allied veterans who immigrated to Canada. Finally, clause 73 provides that any compensation paid to a veteran attending a review committee hearing of his application for disability pension will be eliminated. These provisions amount to a loss of benefits for veterans. This is a case of penny-pinching.

In short, this budget truly reflects what federalism is all about. The federal government would like to be perceived as the almighty protector and authority. But Quebecers will not be fooled and they will not hesitate to express their dissatisfaction with this system and say that the trickery is over and that they are prepared to take control of their destiny once and for all. In the meantime, it is essential to postpone second reading of Bill C-76 for six months, to give an opportunity to the Minister of Finance to do his homework. This is the purpose of the motion which I seconded and which I still support.

[English]

**Mr. Keith Martin (Esquimalt—Juan de Fuca, Ref.):** Madam Speaker, it is a pleasure to speak today on Bill C-76.

A lot of misinformation has gone on recently with respect to the budget. I would like to correct some of those statements.

The budget is going to sound the death knell for many things we hold dear to our hearts as Canadians, in particular the social programs of the country we have spent so many years and decades forming. These social programs have set us apart from countries like the United States; set us apart from countries that do not take care of those who are underprivileged in society as we in Canada have done much to the envy of people in other countries.