

*Oral Questions*

Ottawa's contribution for social programs with an equivalent transfer of tax points to Quebec.

My question is directed to the Prime Minister. How can he reconcile his formal commitment to decentralize the federal system with his finance minister's refusal to discuss even the principle of the proposal made by the Government of Quebec to replace Ottawa's present contribution to social programs financing with a transfer of tax points?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, before I answer the question put by the Leader of the Opposition, I would like to say that we are sorry to see him go. We enjoyed the past two years during which he was Leader of the Opposition. In politics, there is a certain amount of confrontation, but there are also moments that we appreciate.

I wish him good luck, and if, as he said in his speech in Laval, he intends to work hard to get the economy going and put public finances on a sound footing, we will be there, ready to co-operate. So I wish him good luck in that respect. If the other agenda predominates, there will again be confrontation. As for the question put by the Leader of the Opposition concerning tax points, it is a matter of one type of transfer rather than another. The amount is exactly the same.

• (1420)

However, for the purposes of public administration and to ensure that people know the money is transferred from the central government to the provincial governments, I think the Minister of Finance is right. People are aware of this in the case of a transfer payment, as opposed to tax points. In the case of tax points, people tend to forget. After a few years, they forget that no more funds are transferred, but that the federal government has withdrawn and lets the province collect taxes.

As a result, the central government's participation becomes invisible. I think the Minister of Finance wants all citizens in every province to know exactly what the federal government contributes towards the cost of administering social programs.

**Hon. Lucien Bouchard (Leader of the Opposition, BQ):** Mr. Speaker, I must say the leader of the government took some of the wind out of my parliamentary sails.

In a word, I would like to tell him that I will leave this place, respecting its members and the opinions of those members, even if they do not coincide with ours, and with every respect for these institutions as well as a sense of gratitude for the opportunity to become more experienced in the ways of a truly exceptional parliamentary democracy, the House of Commons of Canada.

**Some hon. members:** Hear, hear.

**Mr. Bouchard:** I would like to ask the Prime Minister how he can dismiss out of hand the proposal made by Mrs. Marois, which in fact would respond to what Quebec has maintained since the Victoria Conference in 1971, and I am referring to Quebec's insistence on the need to control all the levers of its social programs.

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, whether transfer payments are made in the form of tax points or cash, it boils down to the same thing.

As far as decentralization is concerned, we have made it clear that we will withdraw from manpower training. However, we want the money collected for that purpose to be used for our clients, in other words, for people who across Canada contributed their share, added to their employer's share, to give them some security if they lose their jobs. This money is to be used for workers who have lost their jobs.

As for decisions on the administration and nature of training programs, that is under provincial jurisdiction. The provinces can decide what kind of training they want to give, but we must be sure the money transferred is used to train people who are unemployed, because they paid their contribution to the federal government so they would receive this service if they lost their job.

**Hon. Lucien Bouchard (Leader of the Opposition, BQ):** Mr. Speaker, there is considerable confusion afoot, but if anyone knows what is at stake here, the Prime Minister does.

In fact, it makes all the difference in the world to have tax points that leave a government free to proceed as it wishes and will increase in value with total tax revenues, as opposed to having financial contributions which the federal government reduces at will and controls by imposing national standards. It makes all the difference in the world.

I want to ask the Prime Minister whether he would not agree that what we have here is an entirely odious strategy that consists in making the Quebec government pay an increasingly larger share of the cost of social programs, and meanwhile Ottawa collects more and more taxes from Quebec.

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, when we formed this government two years and some months ago, the federal government's transfers for social programs and equalization payments totalled more than \$11 billion. Today, it is even more and next year it will still be more than \$11 billion.

There have been no cuts. Some payments may be down, but equalization payments for the poorest provinces in Canada inevitably increased during this period. In fact, there were no cuts in transfers to the Government of Quebec or to other provinces that receive equalization payments according to the balancing system that exists in this country.