

Government Orders

You get all these ideas flying over top with all their airy-fairy types of opportunities. It is no wonder that people want to turn off their TV set and not listen to what is happening in this House.

What this government has been doing, and what this bill would do, is ensure that it is a blended opportunity for taxation, an opportunity for the next two years for stability. I think that is what Canadians are looking at. Canadians are not prepared to listen to any more of the hare-brained type of proposals and scare tactics that are being used on the other side. I am sure that at the end of the day Canadians are going to recognize, and are starting to recognize, that. In fact, in *The Toronto Star* yesterday there was an article stating that Canadians are prepared for a big increase in opportunities in this country. It is because of the basic policies that this government has put forward over the last seven years.

• (1350)

In closing, I hope that we have the opportunity to pass this piece of legislation later today. It is another step in ensuring that Canada will be strong for the future.

Mr. Lyle Kristiansen (Kootenay West—Revelstoke): Mr. Speaker, I am pleased to have an opportunity to engage in this debate for a brief period.

The bill before us is Bill C-60, an act to amend the Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act. One thing that this bill does is to pave the way for possible harmonization of the goods and services tax and provincial sales taxes between the federal government and the various provincial administrations across Canada.

The way that the federal government has been behaving over the past few years, and the past few months in particular, makes me think that we are almost engaged in running a protection racket. If the provinces refuse to buckle under, despite their own priorities and the wishes of their citizens, even the needs of their own people and the needs of their own treasuries, they are being forced, under threat of continuing cuts by the federal government to cost-sharing of different types between Ottawa and the provinces, to knuckle under and harmonize their tax regimes with the federal tax called the goods and services tax.

There is a pretty powerful incentive included in these threats, in this blackmail and in this protection racket. If they are to harmonize their provincial sales taxes and the goods and services tax for collection at the border, for instance, there are in some cases advantages to the tune of extra hundreds of millions of dollars which could flow into those provincial treasuries at a time when they are very hard-pressed.

We do not think it is very good politics or even very good economics to have federal-provincial financial relations determined by the kind of attitude that the federal government has displayed during this past period. Surely when we are facing real difficult economic situations across the country and, in some regions, particularly in the manufacturing areas of Canada, there is no doubt that we are facing some extremely hard times. What we should be asking is that the federal and provincial governments sit down in a rational sort of way, decide what the essential priorities are in a time of reduced revenues and work out, as well as we can on a co-operative basis, just what funds we have to raise and what the priority expenditures ought to be. To have it done by bluff and by bluster in a scenario of name-calling and increasing confrontation between Ottawa and the provinces is not what our taxpayers expect us to be doing. At a time when we have enough problems across the country, constitutionally or otherwise, we do not need any more division than we have got already.

What has happened to the finances of some of our so-called have provinces over the past period? I am a representative of a constituency in British Columbia. The British Columbia government faced some pretty severe choices in its recent budget. It did not help its situation by having Ottawa, over the last few months, renew its cut-backs of a few years ago to what all Canadians thought were long-standing agreements as to appropriate shares of revenue and financing between our different levels of government.

Why has the federal government felt the need to off-load its responsibilities to the provinces? One reason is the long-standing failure on the federal government's part to exercise prudent fiscal management. That has caused a serious debt problem.

We do not suggest the government sitting across the way bears all the responsibility for that. Its management record over the last few years has not been great. The problems it faces because of the lack of self-discipline of