

*Government Orders*

others approaching that condition. That is maintained and it is very important in terms of—

• (1715)

**The Acting Speaker (Mrs. Maheu):** I regret to interrupt the hon. member.

Pursuant to order made Monday, June 5, 1995, in accordance with Standing Order 78(3), it is my duty to interrupt the proceedings and put all the questions necessary to dispose of the third reading stage of the bill now before the House.

**Mr. Taylor:** Madam Speaker, I rise on a point of order. Correct me if I am wrong, but I was under the impression that government orders were extended by some 12 minutes because of a ministerial statement made earlier in the day. I am wondering if perhaps we are not ahead of ourselves here.

**The Acting Speaker (Mrs. Maheu):** The clerk tells me that you are indeed right.

The hon. member may continue. Government orders have been extended by 12 minutes.

**Mr. McWhinney:** Madam Speaker, I thank the hon. member for that very graceful reprieve, if I may call it that. It gives me an opportunity to continue the dialogue. I think I can pick up from the middle of the sentence if I can recall the beginning of the sentence. Here it is, in any case.

We have tried to emphasize a policy of fairness to all regions, which brings me into the area of federal-provincial powers. One of the great dilemmas in establishing the new system of transfers to provinces is you are recognizing that these are areas, constitutionally, of provincial responsibility. They are in essence moving back. One is in effect cutting through the gloss of custom that has been established over the last 20 or 30 years. In fact the general feeling in Canadian political circles is that if the federal government had not acted the provinces would not have either and this was the reason for the federal initiative. If the power returns effectively to the provinces, it will be done through the system of the block transfer, the new Canadian social transfer.

Some statistics are relevant and important. The average cut to the provinces in terms of transfers will be 4.4 per cent, which is less than the 7.3 per cent the federal government is imposing on its own programs, and there is a period of two years' notice built into that, which becomes very important in areas such as education, where planning far ahead is very important to individuals entering the structure, not merely to administrations.

One issue raised here is the ability to maintain national standards. Can it be done solely on a matter of reliance on the good faith of individual governments? Will there not be somebody out of step? I think this is a matter on which we are still waiting for the work the minister of intergovernmental affairs is doing, but let me say that I think there is no doubt that

constitutionally in certain areas we still have the power to impose and enforce the national standards. Enforcement, as such, is an ineffective system of social control. "Friendly persuasion" and "example" are the bywords. I think in this particular area we will find a large and increasing degree of federal-provincial co-operation because of what are, after all, the common goals.

I was examining on the weekend, in the constituency of one of my colleagues, in Richmond, the area of intergovernmental co-operation, not merely federal-provincial but federal, provincial, and municipal. The process of co-operation can work. It is not our belief, in any case, in contrast to prognostication of gloom and doom, that in making the block transfers to the provinces the national standards will disappear and we will get an anarchic system of different standards such as Voltare described with the situation of the French civil laws. As he said when he left Paris, every time he changed his horse he would be under a different system. I do not think we are dealing with that.

• (1720)

Our message on this is that the status quo of the federal-provincial arrangements, the practice that had grown up over the last 30 years, was bound to come to an end as provinces accepted their own obligations of maintaining common standards throughout the country and not falling behind. Here the finances are related directly to the power and there is the two-year building in period in which federal and provincial governments can work out and eliminate any contradictions.

There in essence is the budget. It is best to finish on the general philosophical note that it does reflect the promise the Prime Minister made during the election and it would not be a negative, give it up approach to eliminating the deficit. We would expand the economy and would generate new revenue by creating new jobs. The budget cannot be divorced from our work in manpower. It cannot be divorced from other activity in other departments directed toward this goal, and it does rest on a large degree of faith in the ability to manage federal-provincial relations in a renewed spirit of co-operative federalism.

I think this is one of the keynotes of the present government, that it is reviving attitudes of co-operative federalism that for various reasons and for various attitudes of political parties have been dormant for some years.

On this basis, I am happy to commend Bill C-76 to the House for adoption.

**Mr. Herb Grubel (Capilano—Howe Sound, Ref.):** Madam Speaker, I appreciate the hon. member's remarks, but I must take him up on the fact that the day after the Reform Party issued its alternative budget we were together on a radio program in Vancouver, at which point he hammered me because in that budget we had similarly proposed the maintenance of standards through co-operative agreements among provinces. This is very