

of these types of federal-provincial agreements. If they are ever to be changed, a lot of negotiation will be required. We should not have to go through them every year or every second year because they are something like the Bank Act. Traditionally we have come to the determination that a reasonable period of renewal for major changes to the Bank Act is every 10 years. With these types of financial arrangements between the provinces and the federal Government, we have come to the understanding that five years makes sense and is a reasonable period.

What we have to keep in mind when we are discussing this Bill is that the provinces are expecting to get those cheques issued on April 16, only a few days from now. If that is to happen, Mr. Speaker, then we must have Royal Assent around April 14, which is next Tuesday. Be it on the heads of the Liberals and the New Democrats if they so delay this Bill that those provinces which need the money do not get it, as a result of their activities and the nonsense that is going on in this House.

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, first with regard to what was said by the Hon. Member for Western Arctic (Mr. Nickerson), it seems to me that the argument he gave about the data from the census having to be processed being the reason that the Bill could only be introduced at the time was somewhat suspect as an argument. It seems to me that what the Bill lays out are certain principles and formulae on how equalization payments are to be made. Those could be arrived at and passed by this House, even if they could not have been agreed upon, long before the time the Government chose to bring the Bill before the House.

What concerns me about the Bill, particularly in speaking to the amendment, is the Government's refusal to consider the idea of having a three-year period as opposed to a five-year period. I acknowledge that traditionally there has been a five-year period, and I also acknowledge the wisdom in principle of what the Hon. Member from Western Arctic said that these are things that should not be in a constant state of negotiation. There should be arrangements which last for a significant period of time and, therefore, give a certain amount of predictability to the fiscal management of the provinces and, for that matter, the federal Government.

Unfortunately what has happened is that since 1977, which was the last time the federal Government and the provinces actually agreed on what federal-provincial fiscal arrangements would be, whether with respect to the Established Programs Financing or whether with respect to equalization, which is what we are speaking about today, we have had a history of successive governments. First we had a Liberal Government, and then the Conservative Government which unilaterally changed the fiscal arrangements existing between the federal and provincial governments.

• (1630)

The Bill proposes to give an increase of \$175 million to the provinces over two years, instead of the one year to which the

provinces were entitled and which the federal Government should have given if it were interested in reaching an agreement. It is another example of unilateral action.

I say to Hon. Members on the government side that there is some authentic merit in the following two notions which one could use to support the idea of only having a three-year period in this instance. First, tax reform is coming forward. It seems to me that Conservatives have always been known for complaining about the way in which tax reforms make financial planning difficult for businesses. Indeed, myriad tax changes happening every year have made it difficult for business and very difficult for the provinces.

Perhaps the Government is not serious about tax reform. Perhaps its resistance to the amendment comes from the fact that down deep it knows there will not be any serious tax reform, and therefore our fears are quite unfounded. Perhaps that is the case. However, let us take the Government at its word, that there will be significant tax reform. In that case it seems to me that serious consideration should be given to shortening the time period or perhaps including a review mechanism in the legislation.

The Conservatives are very fond of sunset provisions in legislation. We are talking about a sunset provision in this amendment which is shorter than the normal sunset provision of five years on federal-provincial arrangements—and in this case its equalization—because by the Government's own admission something is coming down the pipe which could well change the financial and fiscal context within which provinces must operate.

The refusal of the Government to consider a shorter time period seems to be a confession or an expression of lack of confidence in itself and in its ability to reach an agreement with the provinces, both in respect of tax reform and in respect of Federal-Provincial Fiscal Arrangements which could be arrived at by agreement and consensus. By refusing to consider it or dismissing the idea, basically the Government is saying that it does not expect to get along with the provinces or to reach an agreement with them, so it will put this in place for five years and forget about it. Basically that is the impression one cannot help but get when one sees the Government refusing to consider the amendment and promising significant tax reform.

There is still hope, in our judgment, that the federal Government and the provinces can reach more of an agreement than they have as yet, but the Government does not have confidence in itself that it could reach such an agreement. Instead the House is faced with the prospect of once again having to divide sooner or later on the Federal-Provincial Fiscal arrangements which are being unilaterally imposed upon the provinces.

For the benefit of newer members, I remember when the Liberal Government imposed Federal-Provincial Fiscal Arrangements unilaterally upon the provinces. I remember the cry of indignation, outrage, and self-righteousness in the