

Federal-Provincial Fiscal Arrangements Act

would equal the federal saving arising from not having the federal program operative in the province. The end result of these arrangements left Quebec in exactly the same financial position as all other provinces. The so-called 3 point tax abatement for Quebec taxpayers commenced with the 1965 taxation year and continues to the present day.

As hon. members know we are now moving toward an integrated national system of family allowance which will apply to Quebec residents as to residents of all other provinces. As a result it will be necessary to adjust the present basis on which the abatement and recovery are made in order to avoid a serious disruption in the Quebec income tax system and continue to leave the province of Quebec in the same net financial position as the other provinces.

● (1410)

[*English*]

Mr. Speaker, I am sure that all members of the House will agree with the basic purposes of this bill. To summarize; the amendments proposed will increase the equalization grants paid to the seven lower-income provinces; it will extend the existing arrangements for federal assistance to provincial post-secondary education costs; it will moderate the harshness of the provisions respecting ineligibility for the revenue guarantee; and it will permit the continuation of long-standing financial arrangements with Quebec in the light of the new family allowances legislation program. I trust that the bill will receive the support of the House, and when we go into Committee of the Whole House I will be prepared to answer questions in more detail.

Some hon. Members: Hear, hear!

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I have been somewhat amused at the, shall we say, Friday claque the minister seems to have gathered about him to make that much noise. I have no idea of the purpose behind that move in dealing with a bill such as this, but it must be an "in" secret that the Liberals have. Possibly it is just that members on the government side contribute so little to the bill they have to let off some energy somehow, so they pound their desks. They have little else to cheer about.

The bill before us of course carries out changes that were forecast by the minister in the budget of last February 19. To that extent, since it arose out of a consensus coming out of the minister's meeting with provincial financial ministers the month previous, it certainly received the general approval of the House. As I recall it, during the whole of the budget debate there was no particular criticism of this proposal. If one goes back to the debates of March 1972 when Bill C-8 of that era, which is the legislation we are amending today, was debated we can see that, while this legislation has to go through, we can perhaps make some comments.

Certainly I know my colleague the hon. member for Fundy-Royal (Mr. Fairweather) will have a good deal to say about the financing of post-secondary education. Although others may have a few words to say about some of the other things which are being brought in, I do not

[Mr. Turner (Ottawa-Carleton).]

think this bill will arouse much controversy. At the time of the debate on Bill C-8, I remember the Leader of the Opposition (Mr. Stanfield), in discussing one feature which concerns us a good deal this afternoon, that is the period of time relating to post-secondary education, said, and I think he was right—although the minister has not said anything about it yet I hope he will do so—that a two-year period as specified in the legislation at that time provided a very unstable base for any provincial government in planning for post-secondary education.

I should like to know this: by reason of this three-year extension, has there been a new arrangement reached or did I interpret the minister correctly when he said that at his last meeting with the financial ministers of the provinces the federal government made a proposal which was turned down by the provinces and that, therefore, the position effectively is still back at square one. I must say I find this a little difficult because, after all, we do know that the criticism aimed at Bill C-8 in March of 1972 was because there had been no consultation. The federal government had disclosed its plan only on the eve of the presentation of the legislation, and therefore it was impossible to get any agreement. A two-year period was put into the bill in order to provide an opportunity for negotiation, but again on the eve, so to speak, of the meeting, which would be the last meeting that could practically be held prior to the expiry of the date in Bill C-8, the government came forward with another formula which the provinces could not see themselves clear to accept. I hope that in further discussing this clause the minister will indicate what progress, if any, has been made and what are his anticipations. Is it to be another drifting along for three years and then at 15 minutes to midnight in 1977 there will be a hurry-hurry proposal and a conference to deal with this very important subject? I would certainly hope that is not so.

I want to emphasize again, and I think this is an area that has particular reference to these relationships with the provinces, that we have just gone through a period of some two months of action by confrontation between the federal government and the provinces, particularly the province of Alberta where there should have been consultation and where there has been no consultation except perhaps in the last few days. I do not know on what day that was done. Although there is the one area in which there has been consultation, even if only by reason of the title of the legislation, the "Federal-Provincial Fiscal Arrangements Act", there should be much more meaningful consultation in the future than there has been in the past. The provinces have always been convened for a conference as close as possible to the expiry date of the agreements. The federal government then makes a proposal to be presented to the provinces. This has happened time and time again on a take it or leave it basis. It seems to me that this procedure is totally wrong. I do not know whether this situation arises because their professional advisors have the idea that what they say is best for everybody, a sort of big brother attitude or an attitude of, why do the provinces not just agree that what the federal government is doing for them is the best in the best of all possible worlds. Of course, we know that there is discrimination. We have seen conferences in the past where premiers have left in a huff and taken unilateral action.