

Federal-Provincial Fiscal Arrangements

consent for the hon. member for St. John's West to continue his speech?

Some hon. Members: Agreed.

Some hon. Members: No.

The Acting Speaker (Mr. Ethier): There is not unanimity. The Chair recognizes the hon. member for Shefford.

[*Translation*]

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, it is unfortunately funny to note that the wranglings in the House are similar to those now experienced in the Canadian confederation. This Bill C-37 dealing more especially with the federal-provincial relations is an extremely important measure and as timely in 1977 as it was in 1976.

The coming into power of the Parti Québécois in Quebec on November 15 last was necessary to give an entirely new significance to Canada's federal-provincial relations. In my opinion, this political development in Quebec should be approached by the federal government in a realistic and serene mood, not with a tendency to say to Quebec: We will prove to you Quebecers that federalists are right. Such an attitude would only worsen the federal-provincial relations, because it should not be forgotten that all provinces feel that they are assailed when one of them is threatened by ultimatums, reprisals, official or unofficial sanctions.

The real problems which have led Quebec to its present condition—and this goes for the Canadian confederation—were not solved or settled at the right moment and now that we are before a *fait accompli*, long-term or effective solutions which would be beneficial to the provinces and to Canadian unity are rejected. A mature individual does not depend on ultimatums to take decisions.

● (2130)

Problems left in abeyance far too long without any solution created a state of fact within the Canadian confederation and when one wants to settle them, the good faith requisite for a frank dialogue often does not exist any longer unfortunately. A great many people have nothing to lose in fact. Why? Because they have lost everything and that is the reasoning one hears, wrongly or rightly, around Quebec everyday: Through what miracle would it be possible for the Canadian provinces to operate better tomorrow than in the last 110 years?

The present confederation seems to have been an impediment to the provinces' emancipation, if one considers the existing mentality in the Canadian provinces in 1977, in Quebec as well as outside Quebec. This impediment has been caused by overly great centralization and by the central government monopolizing provincial powers, ordering the provinces instead of being of service to them. This is the real cause of the conditions as we know them today. The provinces are less and less the blind servants of the federal government, and that is good, for it will prevent, I hope, excessive centralization by the federal government, which would prevent the provinces from becoming weak members in the family which is our

[The Acting Speaker (Mr. Ethier).]

nation. Mr. Speaker, let us imagine a child who would have grown in the same clothes at 12 and at 20. It is easy to imagine that at 20, he would feel stifled by the clothes he wore at 12.

The provinces have gone a long way, but during the last 110 years the Canadian confederation has gone in the opposite direction, strangling the provinces, which are increasingly capable of taking their responsibilities and ever less willing to depend on a centralizing government which they created to serve and not to strangle or provoke them by removing from them—and this has been said by many members in this House—by taking away from the provinces rights that belonged to them and which it now administers in their place.

Mr. Speaker, why should a county council do on behalf of a municipality what this municipality is perfectly capable of doing itself? Why should a provincial government do on behalf of a county council what this county council can do better than any other public organization? Why should the federal government do on behalf of a province what the provincial authorities can do more easily than the federal government? Where does this desire to centralize everything come from, Mr. Speaker? For the closer the authority is to the people, the better the chance people have to be as they have always been. Decisions made far from the people are always detrimental to the people. The farther the authority is, the better the chance financial institutions have of exploiting the people through centralization. That is why the financial institutions do not like to see decision making processes too close to the people. The farther away the decision making, the better served the financial institutions.

Mr. Speaker, the first thing which should come under the exclusive control of every province is its own credit. Each Canadian province should be provided with the services of a branch of the Bank of Canada. This branch should be fully and entirely responsible for the credit in the province, and the decisions as to the use and control of the credit of the province should come under the exclusive control of each province.

Mr. Speaker, Hydro Ontario is responsible for the distribution of electric power throughout Ontario, just like B.C. Hydro in British Columbia and Hydro-Quebec in the province of Quebec. Similarly a branch of the Bank of Canada would be responsible for financial credit in each of the provinces. So the federal government could no longer jeopardize the financial credit of the provinces by endlessly borrowing on their financial credit and guaranteeing loans for its own financing with the wealth of a province.

Mr. Speaker, this brings me back to the British North America Act which gave responsibilities to the provinces while centralizing the financial resources in the hands of the federal government. What is at the root of the quarrelling we have known since the beginning of confederation, the fact that while the provinces have clearly defined obligations and duties, the financial levers are in the hands of the federal government? This is why the last 35 years or so have been witness to perennial disputes over federal-provincial conferences, over taxation powers, over financial powers which the provinces do not have but which are held by the federal government and