

Federal-Provincial Relations

Mr. Speaker, the motion to draw the attention of the House on the problem of federal-provincial relations also urges the government to act in this field.

The problem is definitely an important one as relations between Quebec and Ottawa and even between the other provinces and Ottawa have never been so bad as they are now.

One of the main reasons for this is the haughty, provoking and insulting attitude the present government has toward Quebec.

An hon. Member: What about the 60's?

Mr. Ouellet: What about the Diefenbaker administration?

Mr. Valade: The present St. Lawrence harbour strike provides a perfect illustration of this arrogance of the government, because of the way the Prime Minister of Canada spoke of the Quebec Minister of Labour in connection with that conflict.

You would have to be quite blind, Mr. Speaker, not to see how impossible it is for most provinces to meet the economic and social needs of their population.

In Quebec some types of welfare benefits for the poor have had to be reduced because of lack of funds. Provincial governments have to assume financial burdens forced upon them by unilateral federal legislation such as the Unemployment Insurance Act, extended to teachers and other groups, the Old Age Security Act and the Family Allowances Act.

This afternoon, the Minister of Regional Economic Expansion (Mr. Marchand) said: "Not only the provinces, but we also need money." You can't beat that as a self-evident truth.

Of course the government needs money, not to develop meaningful measures, but to dissimulate its economic failure on the eve of a coming election, in a desperate effort to restore its prestige and its credibility in the eyes of the people.

No amount of discourse on the needs of governments at all levels will settle anything.

So long as the federal and provincial governments do not come to an agreement on fiscal distribution, there will be problems. This fiscal distribution between provinces and the federal government is urgent and should be embodied in a new constitution.

The Victoria conference was a failure precisely because the cart was put before the horse. They have discussed about everything except the essential issues and this was similar to asking the minister of Regional Economic Expansion to think before speaking. This is just as impossible as reaching a solution.

Before agreeing to a constitutional structure, the provinces, and mainly Quebec, rightly wanted to know how we could reach some acceptable agreement after having been tied down by a strict procedure.

Are these provincial situations and attitudes logical? It was responsible!

[Mr. Valade.]

Unless a final agreement is reached on tax distribution, Mr. Speaker, this government will carry on with its centralization policy at the expense of the provincial economical and political balance.

Quebec and some other provinces are growing impatient because of the government's intransigence and for many months all provincial governments have been asking the government to resume the constitutional discussions on basic principles.

Two major events have been rocking Quebec, namely the social crisis which caused massive walk-outs and paralyzed several sectors and also the conflict between Quebec and Ottawa about federal-provincial relations and social security in particular and which almost caused two of Mr. Bourassa's most influential ministers to resign, namely Messrs. Castonguay and L'Allier.

• (2050)

Those events and the situation in Quebec should entice the government to re-open the constitutional debate and to move closer to the aspirations of the Quebec government and those of the other provinces. Quebec is not involved alone. The inability of the government to find a solution to the constitutional problem is at the heart of the present difficulties. That policy of confrontation, particularly towards Quebec, is nearly a national suicide. It sows division between Quebecers and irreparably opens a gap between federalists and separatists.

Therefore, in order to hasten the constitutional revision process and to promote the image of a greater Canada, the government should hold forthwith a constitutional conference based on the attribution of powers. The sharing of tax resources would also be on the agenda, so as to take into account the increasing needs of the provinces.

The Victoria Charter failed because it did not make of the distribution of powers the focal point of the negotiations, and the Minister of Regional Economic Expansion knows it. It is useless to try and make individual arrangements on secondary matters such as the repatriation of the Constitution or the adoption of a bill of human rights until negotiations were started on the basic issue. We must, therefore, regain the spirit which animated the Fathers of Confederation over 100 years ago and consider the constitutional review in its entire context.

The whole field of social security should be re-evaluated according to a criterion which could be as follows: In the context of the seventies, which level of government—provincial or federal—can best assume primary jurisdiction in the various spheres of Canadian activity? This is an important matter, in spite of the cynical smile of the Minister of Regional Economic Expansion.

Mr. Speaker, areas of jurisdiction obviously need to be clearly defined. Our federal-provincial relations are literally assaulted by the overlapping activities of modern governments.

My suggestion, Mr. Speaker, is a new alternative, and a more constructive way to give a new start to constitutional negotiations, which after five years ended in deplorable failure.

The conference could be held in Quebec City, especially to commemorate the pre-Confederation period. It could