

Government Orders

For 30 years, the provinces have been fighting against federal government interference in areas of provincial jurisdiction. Until now, Ottawa used to compensate for invading provincial jurisdictions by footing part of the bill. Today, Ottawa is interfering even more, even if it is paying less. It is transferring onto the provinces the horrible task of increasing taxes and cutting elsewhere. The federal government is literally putting the provinces in a straitjacket. It even goes as far as forcing the provinces to refer to the Canada Social Transfer in all their ads and documentation concerning the health services they provide. All this window-dressing only to cut \$7 billion on the backs of the provinces through the implementation of the Canada Social Transfer.

So, Bill C-76 will offload the federal deficit onto the provinces; since the legislative framework for health-related matters will stay the same, the federal government will only have to transfer its deficit.

Because of the pressure exerted by the richer provinces, the federal government is seriously thinking about changing the envelope for the main provincial transfers, except of course for the equalization payments which will in any way be significantly reduced beginning in 1996-97. As I was saying, the government is thinking about reducing the envelope for all provincial transfers according to the population figures instead of the wealth index which is now being used. If distribution is based on population, as the government is contemplating, then Quebec will have to deal with almost 42 per cent of all the cuts made to the provincial transfers in 1997-98.

Bill C-76 even provides for new health criteria and paves the way for new criteria in the areas of welfare and post-secondary education. Is this what the flexible federalism the Liberal government has been pushing for is all about?

Education is a very sensitive area for Quebecers who make up a distinct minority in Canada. The prime minister's centralizing federalism does not recognize this reality, and that is why more and more Quebecers do not want to be part of a country whose government shows so little sensitivity to their cultural identity and their most legitimate aspirations.

Quebecers are puzzled about one thing: Quebec's debt is at \$70 billion, whereas the Canadian government has borrowed about \$126 billion in the name of Quebecers since 1972. Therefore, Quebec's share of the federal debt is 45 per cent higher than its own provincial debt, although the latter remains high.

• (1810)

Quebecers have come to wonder how a federal government that has done so poorly in managing their hard-earned money can still be trying to impose its will upon a Quebec government that is also closer to them from a cultural standpoint.

By withdrawing its funding and by forcing the provinces to comply with new national standards, the federal government will be dealing, in a few years, with provinces whose tax base will be considerably weakened. This will give yet more power to the central government which will have greatly reduced its fiscal obligations and which will be in a position to interfere even more in areas under provincial jurisdiction.

The newspapers reported last week that Jean-Claude Rivest, an independent senator, and Claude Forget, former health minister in Quebec, fear a fiscal coup by Ottawa after a victory for the "no" in the Quebec referendum. My colleague from Trois-Rivières talked about it very eloquently a while ago.

Mr. Rivest and Mr. Forget, who have good connections within the federal government as reported in the *Journal de Montréal* on March 30, have no reason to worry. With this Bill C-76 and with the budget tabled on February 27, the federal government has already launched its fiscal coup against Quebec, even though the referendum in that province has not yet taken place.

Neither the finance minister's budget nor the bill before us today contain any provisions about the tax system, especially as it applies to families and young households, the only ones that would be likely to stimulate consumption and economic activity and to give some breathing room to provinces, which could intervene more freely and more energetically on their territory and in their particular jurisdictions by involving the stakeholders.

The centralizing federalism practised by the Liberals goes against every attempt at decentralization toward the provinces. Therefore, we must strongly reject Bill C-76.

[English]

Mr. Dick Harris (Prince George—Bulkley Valley, Ref.): Madam Speaker, I am pleased to speak to the amendment the Bloc has put forward. It wants to delay the implementation of the budget for six months. I am sure it has a political agenda behind this amendment. I would imagine that it is to try to add more credence to its failing sovereignty program. I can think of no other reason for an amendment like this.

However, I suggest the government delay the implementation of the budget for eternity. This is not a budget the Canadian people were asking for. While the hon. member for Halifax a short time ago said eastern Canadians were smarter than western Canadians, there are a whole lot of western Canadians who apply some good, common sense to getting this financial crisis and the House in order.

I want to paraphrase part of a speech by Mackenzie King in the House in 1935. What he was saying applies to the situation we have today. He said that when a government loses control of its currency and credit in effect all talk of democracy in the country is both useless and futile. That is exactly the situation the country is in. We have lost control of our currency and credit. Every decision we try to make in the House is influenced by the