

Speech opposing the Bloc Opposition-Day Motion on Federal Spending Power

10/21/2010

Mr. Michael Savage (Dartmouth—Cole Harbour, Lib.):

Madam Speaker, I am pleased to take part in the debate on the opposition motion brought forward by the Bloc Québécois. The motion in essence seeks to restrict federal spending authority in areas of provincial jurisdiction and allow provinces to opt out of federally funded programs with full compensation and without conditions. This is not a new topic. It has been discussed in the House, at committees of the House and in reports from committees for many years.

We are a federated nation. We are a very fortunate nation. As a federated nation, I often think that the nature of our Confederation is both a blessing and a burden of being Canadian. It is never easy. I think of Winston Churchill's famous comment about democracy when he said that it was the worse system in the world except for all the rest. When we add Confederation to a democracy, it is the best system in the world, but in part it is messy. It is not always easy. We have become a nation that is the envy of the world in many areas.

Pre-Confederation, Canada was born of compromise. Canada was a group of bodies that came together. In 1867 Quebec, Ontario, the great and wonderful and at the time rich province of Nova Scotia, New Brunswick came together. It was a unique coming together and it has borne a lot of envy from people around the world.

I grew up in the United Kingdom. My father decided to come to Canada, and he chose it for a very specific reason. He believed in what Canada stood for. When he arrived here in the late 1960s, as a medical doctor, he became part of the new national experiment of medicare under Lester Pearson and the Liberal government.

There is a balance albeit a delicate balance. Canada has shown over and over again that it is more than the sum of its parts on things like health care, our national system of pensions, even things like employment insurance. There is a long and strong history of Canada making improvements through the federated model of coming to the table and making things work.

A big change to medicare came in 2004 when Prime Minister Paul Martin signed a deal with the provinces to put \$46 billion into health care over 10 years, which was a huge investment. It took a lot of negotiation and consultation. Canada's priorities were determined. It was determined that we should improve upon five key areas. Money went into health care and all the provinces understood that. Hard questions will have to be asked as that comes up for renegotiation in 2014.

The member for Beauce suggested that \$40 plus billion should be taken out of the federal transfers and that there should be no federal involvement in those transfers or in the work that those transfers do. It is consistent with what we have come to believe from the Prime Minister. A number of years ago he called for what is now referred to as the Alberta firewall. There is a history and a bit of an alliance between the governing Conservatives and the Bloc on this as to the role of Canada in part of those negotiations.

There are hard questions to be asked in health care. I will be the first to suggest that some of those questions will be a bit messy. We have to consider the changing demographics. We have to understand that Canadians are getting older. We have to understand that health care is gobbling up more and more of the public dollar. We have to figure out the role of the federal government.

The federal government has a big role to play. The federal government has not only the opportunity, but the responsibility to be involved in those discussions and to ensure that the priorities of the health care system reflect national issues and are adaptable to provincial interests. There is a model for that.

Back in 2004, when I was first elected to the House, the government, under the then minister of social development, developed a national child care plan with all of the provinces. That is an example of how government can work in our country.

I want to read from a press release from October 28, 2005, "Governments of Canada and Quebec Sign First Funding Agreement on Early Learning and Child Care". The first paragraph reads:

Prime Minister Paul Martin and Quebec Premier Jean Charest, along with federal Social Development Minister... [the member for York Centre], Quebec's Minister of Families, Seniors and the Status of Women Carole Th  berge, President of the Privy Council and Intergovernmental Affairs Minister Lucienne Robillard, and Quebec's Minister of Canadian Intergovernmental Affairs Beno  t Pelletier, announced today an historic agreement concerning the transfer of \$1.125 billion over five years under the federal government's Early Learning and Child Care Initiative. This is the first funding agreement the Government of Canada has signed under the Early Learning and Child Care Initiative.

It is an indication of how federalism can work and how the federal government can work with the provinces to make improvements in society.

My former colleague, the hon. Lucienne Robillard, said:

This agreement demonstrates the flexibility that characterizes a federation such as ours and allows us to conclude agreements that can adapt to the different situations, realities and needs of a province's population.

I want to quote from the minister from Quebec, Minister Pelletier:

This agreement, besides being of an asymmetrical nature, respects the exclusive skills of Quebec and the positions expressed in this matter. We have always believed that it was possible to agree on a formula that would recognize the work already carried out by Quebec and that would therefore allow us to benefit from [this] funding....

In a lot of ways, the province of Quebec has many things to teach the other provinces in Canada. Child care is an example, the \$7-a-day child care program, which advocates in all the other provinces look to as a very strong model and one that works in developing young children. It has always been a bit of a bizarre notion to me that we think children start to learn at the age of six when they go to school. Children start to learn at the age of zero or perhaps even before that, before they are even born. We need to do more, and this model in Quebec is one we can follow.

Another area where Quebec is a leader is post-secondary education. The province has chosen to invest in post-secondary education. If we look at the cost of going to school in Quebec, whether it is undergraduate or graduate school, we see the tuitions are low. There is a cost to that. We all recognize that, but that is an investment that has been made by the province of Quebec.

We have other provinces that have also taken that lead on post-secondary education. The province of Newfoundland and Labrador now has tuitions for first-year arts and science that are in the range of \$2,500, versus my province of Nova Scotia where it is more like \$6,500. That is another area where Quebec has shown leadership.

Workforce training, maternity and paternity benefits, compassionate and sickness benefits for self-employed and new mothers are areas that are very important, and Quebec has been able to show its individuality. It has been able to invest in programs that it considers important, good investments. It certainly presents some budgetary challenges, but that is what being in government is about. That is the same rationale that this government has for making choices, except that it makes diametrically opposite choices, I would argue.

Quebec has had the opportunity, and Quebec has been respected and should be respected at the table whenever discussions of a federal nature are brought forward.

I want to reference one thing that has come up today, and that is the cuts that were made in federal transfers to the provinces in the 1990s. There is no question that there were cuts made to the provinces in the 1990s by the Liberal government, Jean Chrétien and the finance minister, Paul Martin. The party opposite now says those cuts were too deep. It was not saying that at the time.

People acknowledged that we faced an unbearable debt burden in the early 1990s when the Liberal government took power. Changes had to be made and I recall, with almost some degree of humour, that the former minister of human resources and skills development, Monte Solberg, used to stand in this House and say, "This is the government that cut transfers", until I pointed out to him some of his words from back in the 1990s, when the government was trying to deal with the deficit, when the government was trying to deal with the enormous burden of having a \$40-some billion deficit every year and a huge staggering debt.

This is the advice that Monte Solberg offered at the time:

We have a deficit of \$40 billion. We have a debt approaching \$535 billion. Soon international lenders are going to get fed up. They are going to say that they have had enough and want to find a place where their investment will be safe. ... I urge the government to come to grips with the seriousness of the situation, to take another look at its social program reform and to move ahead with serious cuts in the very near future for the sake of all Canadians.

That was the advice back then of members, some of whom are still in the government now, but specifically of one member who became the minister of human resources and skills development.

He said in October 1994, "...we gave the finance minister a list of \$20 billion in proposed cuts for the government to use in its efforts to get the deficit and debt under control".

I offer that to the parliamentary secretary. He should have a look at it.

Later he said, "...we are going to have to cut a lot deeper into our social programs. It means we cannot hold out any hope for tax relief for Canadians for a long time".

Of course, we balanced the books and invested in social programs.