

Argumentative essay on canadian federal- provincial relations

[Countries](#), [Canada](#)



Q. 1. Why did a former president of the liberal party in 2003 call the new party financing reforms as dumb as a bag of hammers?

To begin with, Stephen LeDrew, the president of the Liberal party, used the expression “ dumb as a bag of hammers” to criticize and portray the new party financing reforms as being actually stupid, foolish, unthinkable, idiotic, imbecilic and absurd. These new party financing reforms were introduced by the Prime Minister, Jean Chretien, in the Common’s House on 11th February, 2003. The legislation was actually aimed at reducing the financial influence of money in the political arena, area and field. The bill, actually initiated by the governing liberal party in Ottawa, was typically pioneered by the Chretien government whose main amendments were: Regulate and modulate corporate and other collective donations and contributions to political parties or individuals to be used by these politicians for campaigns at one thousand dollars; govern and regulate trade union donations to individual candidates at one thousand dollars; compensate and recoup for the expenses incurred by political parties of individual political candidates and broaden the control over political conventions, nomination disputes and other political alliances and associations. Additionally, the most essential of all the amendments was that whatever political party obtained two percent of the overall national vote or got five percent and more in the constituencies it actually competed; would really be given or ennobled to allowances from the financial department and ministry of the government equal to one point seven five dollars annually per vote of the previous elections. This is actually was what lead to Stephen LeDrew, the president of the Liberal Party, to refer to the amendment of the financial Bill being “

dumb as a bag of hammers". The following discussions actually try to explain why the amendment of the new financial Bill is actually a stupid and foolish idea.

First of all, it was not the best and right change using tax payers' money actually to fund and back up political parties and candidates. This is because Canada is not the first nation to have tried that and failed, but other countries like West Germany, Sweden and Puerto Rico had actually tried using the same political revolution measures but had failed to maintain it; therefore, amending and adopting it in Canada is just so foolish and unthinkable as per the experiences obtained from other states which had already tried it. Additionally, using public funds and subsidies to fund political parties and individuals can be argued and contended as being a misuse and embezzlement of tax payer's money especially on advertisements conducted by the government and other expenses incurred by political parties.

Secondly, the two percent which was the total population vote that was a requirement did not actually favor smaller parties but bigger and more established parties. This actually can be considered as being political discrimination which can be contended as betraying democracy. As a matter of fact, this may lead to smaller parties being demolished due to lack or inadequate finance to support its party activities which consequently will lead to dominion of more powerful political parties over the smaller parties.

Finally, the amendment of the financial Bill can be argued as being jerky, foolish and dopy since it entitled voters to back up political parties and

leaders they actually do not like. These voters actually may argue that their money, tax, is used to fund and finance other political parties they really do not like to support because of one reason or the other. Consequently, these voters may decide to step back and refuse to vote due to the fear of funding these political parties or candidates they actually do not intend to.

Additionally, absolute reliance of political parties on funding from the government would actually derail and undermine some sections and regions in the society that these political alliances claim and propose to stand for and support.

Q. 2. What are the major fiscal arrangements in Canadian federal-provincial relations and what are some of the key controversies surrounding them?

Major fiscal arrangements in the Canadian federal-provincial relations are provided and well stipulated in chapter F-8 of the constitution of Canada. In section 2 (1) of this chapter, an agreement or statement of understanding is made between the federal government and the aboriginal government or the provincial government. The following are some of these fiscal arrangements between the federal and provincial governments: In this subsection, the federal government of Canada is supposed to enforce an Act of parliament to the provincial governments through which taxes are supposed to be payable to the provinces or the aboriginal governments. In addition, it stipulates that the federal government is responsible for the collection of the taxes from all the provinces after which the fiscal equalization payments are supposed to be made to the provinces. These payments are actually made excluding Yukon, the Northwest and Nunavut Territories. The following are some of the

major fiscal equalization payments that the federal governments agreed to pay to the provinces starting from 1st of April, 2007 and ending on 31st of March, 2014. For the year starting 1st of April, 2007; the government made the following payments: 0 \$ to Ontario; 7, 160, 352, 000 \$ to Quebec; 1, 307, 982, 000 \$ to Nova Scotia; 1, 476, 523, 000 \$ to New Brunswick; \$ 1, 825, 796, 000 to Manitoba, 0 \$ to Alberta; fiscal arrangements between federal-provincial arrangements, you have not told clearly what are the arrangements what taxes federal government can impose and what provincial, when what federal government pays to provinces \$ 226, 146, 000 to Saskatchewan; \$ 293, 958, 000 \$ to Prince Edward Island and \$ 477, 374, 000 to Newfoundland and Labrador. Subsequent fiscal equalization rates are actually calculated by multiplying the preceding fiscal equalization amounts by 1. 035.

Additionally, the following are some of the taxes the federal government can actually impose on provinces: Personal income taxes; corporation income taxes; tobacco taxes, miscellaneous taxes, amusement taxes and harmonized taxes; taxes derived from sales of fuel; import, payroll and insurance premium taxes and actually general provincial and local government taxes.

Some of the key controversies, disputes and contentions surrounding the fiscal arrangements in the Canadian federal-provincial relations include the following: First of all, lack of national unity mainly directed towards the long-time disagreement with Quebec. Quebec has been unstable for a long time

especially due to the diversity of the residents including the aboriginal individuals and people from the west.

Secondly, the issue dealing with finance and money is another problem that brings disagreement and debates in the Canadian federal-provincial fiscal arrangements. Actually the reduced and little federal transfers to the provincial governments is one of the main reason bringing conflict and disagreement in the provinces. These provinces in reality feel that the federal power and mandate can actually be transferred to them so that they could be able to satisfy the original purpose through which these federal-provincial fiscal arrangements were created for; maintaining and sustaining countrywide standards in terms of health care provision, education maintenance and other wellbeing transfers in the given provincial areas of jurisdiction. These reductions and decrease in the welfare transfers actually leads to provincial protests and resistant since these provinces cannot in reality be able to raise the funds needed to run the courts and be able to interpret and apply the law.

Q. 3. What are equalization grants and what are some recent debates/issues about them?

Equalization grants are payments made by the federal or central government to the provincial governments which is actually aimed at boosting and promoting national equality in terms of providing and achieving equitable distribution of national resources. In addition, equalization grants are actually directed towards ensuring that national objectives such as health

care provision, secondary and college education and social services are actually availed to all the Canadian citizens without bias and segregation.

Additionally, it is important to note that these equalization grants are really very much distinct from other transfers like the Canada Health Transfer and the Canada Social Transfer since its major duty is to boost and provide the horizontal financial balance to provisional territories. Therefore, it can be generally contented that equalization grants and payments actually ensure that all the public services and taxation imposed to all the Canadians is more bearable and reasonable in all the Canadian territories. This reduces the risk of some provincial-territories overtaxing its citizens and also eliminates cases of provincial governments offering low quality or inadequate services to its natives based on the excuse of inadequate funds.

Equalization grants were actually enacted in the constitution in the year 1982 which stipulated clearly that the Government of Canada through an enactment of parliament is responsible and entitled to make equalization payments to provincial governments. This was later amended and enacted in 1972 as the Federal-Provincial Fiscal Arrangements Act which is located in chapter 8 of the statutes of Canada. In addition, this act actually works to impose a law that makes some equalization payments to provincial governments based on the total revenue the federal government collects from every province, population and the previous equalization payments received by each of the provinces.

There has been recent debate and bickering over equalization grants especially by various political leaders, political analysts and mere observers including the citizens themselves. The following are some of the points of contention regarding the issue of equalization grants and payments: First of all, opponents of the parliamentary Act that allows allocation of equalization grants argue that it is actually an unfair enactment. They debate that some provincial-territories contribute and generate more revenue and resources to the national federal government than others which by the act of allocating them equally to all the provinces leads to promotion of injustice and unfairness. This actually may lead to conflicts, battles and fights between provinces hence derailing national harmony and peace. Secondly, antagonists also argue that the distribution of the equalization grants based on the formula and method that computes the deviation between the total capital revenue a single province yields and comparing it with the national per capita yields, actually may lead to underestimation of the revenue requirement of some provinces. In other words, sometimes the revenues required by a certain province may be more than the revenue actually allocated to that province by the federal government hence the province will not be able to provide the quality services it actually intended to offer to its citizens.

On the other hand, proponents of the “ equalization grants” actually argue that it is the best method to ensure that national resources are shared and distributed equally amongst the fortunate and less fortunate provinces. They contend that all the provinces have not been blessed with same natural

resources since some have a few while others have more natural resources hence distribution will ensure equity. Moreover, some of these protagonists have been proposing for increase in the amount of equalization grants allocated to provinces while others have been contending that actually there was need to revise the methods of allocation of this funds so that they are allocated based on the revenue contribution of each provincial territory.