



# FEDERALISM

## Ending Imperial Federalism and Restoring Provincial Autonomy

### Issue

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Canada's federal system was designed to ensure a clear division of powers between the federal and provincial governments, as outlined in the Constitution. However, over the decades, the federal government has increasingly encroached on areas of provincial jurisdiction. The Trudeau government has exacerbated this dysfunctional situation by creating three new, unconstitutional social programs to subsidize daycare, dental care, and medications.

Canada's federal system has devolved into "imperial federalism"—a top-down model where Ottawa routinely violates the constitutional division of powers, imposes costly national programs, and redistributes wealth between regions to buy political loyalty. This centralization of power undermines the autonomy of provinces and territories, breeds resentment, and fuels separatist movements, particularly in Quebec and Alberta.

A federation works best when governments respect their constitutional limits and focus on their core responsibilities. Provinces are better equipped to understand and address the specific needs of their populations, but federal interference stifles innovation and prevents them from doing so effectively. Meanwhile, Ottawa has been unable to fulfill its own responsibilities adequately. This has led to bickering over funding, bureaucratic inefficiencies, and a lack

of accountability at all levels of government.

### Facts

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The Canadian Constitution clearly defines the division of powers between the federal and provincial governments. However, the federal government has repeatedly intruded into provincial responsibilities using its so-called "spending power," a concept which is not mentioned in the Constitution.

Ottawa thereby bypasses the Constitution by giving money to the provinces with strings attached, allowing it to impose national standards and dictate how provinces spend their own resources. Provinces have little choice but to accept this intrusion and negotiate agreements with Ottawa, or else they risk leaving large sums of money on the table. In some cases, Quebec was able to opt out of such national programs with financial compensation.

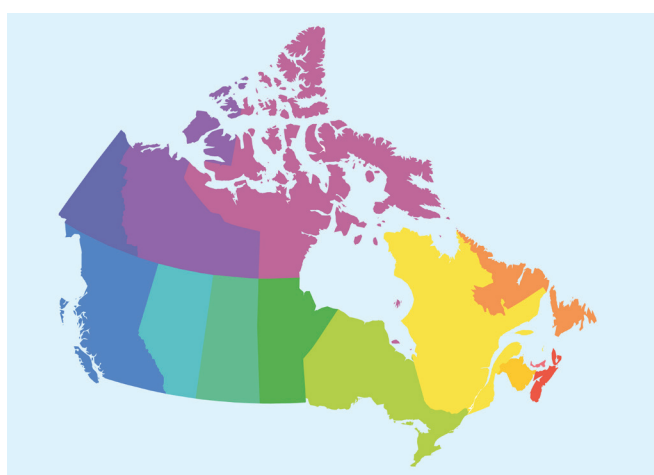
Thanks to this "spending power," the federal government now interferes in areas of exclusive provincial jurisdiction such as health care, education, daycare, local infrastructure, and housing. In other areas of shared jurisdiction, such as the environment and natural resources, the federal government has imposed overbearing regulations that exceed its constitutional authority.

# Our Plan

The People's Party of Canada believes it is time to return to a system of true federalism that respects our Constitution and empowers provinces to take charge of their own affairs.

Although we do not share the ultimate goal of separatist movements in Quebec and Alberta to break up the country, we think their grievances are legitimate. Given the relentless trend toward more centralization, the only way to bring about meaningful change under the current government may be to take advantage of the constitutional crisis that would follow a majority vote in favour of secession in a provincial referendum.

For this reason, the PPC will support the YES side if a referendum takes place in Quebec or Alberta in the coming years in order to break the stranglehold of imperial federalism and pave the way for a last-ditch attempt at rebalancing our federation.



## A People's Party government will:

- Abolish all federal programs and regulations intruding on areas of provincial responsibility. This will allow provinces to adopt innovative policies tailored to their unique circumstances, free from federal interference, while emphasizing cooperation in shared jurisdictions.
- Repeal the *Canada Health Act* and replace the Canada Health Transfer cash payments with a permanent transfer of tax points of equivalent value. Provinces will be fully responsible for health care funding and management, and fully accountable to their citizens for the results (see policy on Health Care).
- Substantially reduce total equalization payments to benefit only the neediest provinces, while providing them with the right incentives to lessen their dependence on federal money. The new equalization formula should respect our Constitution and be fair for citizens of all provinces (see policy on Equalization).

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