

Federal-Provincial Fiscal Arrangements Act

Secondary Education and Health Contributions Act, 1977, be read the third time and passed.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, the service programs now provided for the people of Canada in the field of health and post-secondary education are programs which have been developed over the last 40 years through co-operation between the federal Government and the provinces. Federal Governments, both Liberal and Conservative, were the main promoters of the program. The federal Government promoted the programs and got them accepted by all the provinces by assuring them that the federal Government would meet 50 per cent of the cost of providing the services for all the provinces but, even more than that amount for the have-not provinces. Because of the establishment of those programs most Canadians have had the assurance that their health needs, whether by way of seeing doctors or by staying in hospitals, would not create a tremendous financial burden on them even if they were sick for a lengthy period of time. The programs covered the needs of all Canadians, poor, middle income and wealthy.

Similarly, Mr. Speaker, our post-secondary education programs were developed and expanded so that a substantial proportion of Canadians who wanted to get an education beyond high school, which was all that was available to most Canadians until the end of World War II, could do so. The number of Canadians who attended our universities and community colleges increased greatly. That process changed pretty drastically when the former Liberal Government indicated some years ago that it was not prepared to continue in the joint funding of post-secondary education or health programs, that it was putting a limit of 6 per cent and 5 per cent on the increase in the funding which the federal Government would provide. The program was further adversely affected when the then Liberal Government brought in its established programs financing proposal. That federal Government made it clear that it was no longer prepared to contribute on a 50 per cent basis, and was going to limit the increases it provided.

What we have in Bill C-96 is a further decision, and a disastrous decision, by the present Conservative Government that it will again reduce the funding that will go to the provinces by some \$7 billion from this year until the year 1990-91. It has been argued by the Minister of National Health and Welfare (Mr. Epp) and by other Conservative Members that the provinces will be getting more in the next few years than they got this year. That is true, Mr. Speaker, but the provinces will get substantially less than they would have under the agreements we had up until now.

This country like other countries is facing financial difficulties. The world-wide recession has meant that while costs have gone up revenues for Governments have not increased in the same way. We are not surprised that the federal Government decided that it would have to look at what it was doing, particularly at the support for funding for post-secondary education and health services.

• (1720)

We are not suggesting for a moment that changes would not have been made. We are not only opposed to the fact that the provinces will get \$7 billion less. We are also opposed to the fact that the decision embodied in Bill C-96 was a unilateral decision made against the advice of studies done for the federal Government over the opposition of virtually every province. What is even more hurtful is that the provinces which will suffer the most are those which are the have not provinces of the country: Newfoundland, Prince Edward Island, New Brunswick, Nova Scotia, and Manitoba. Who knows, given the collapse of the price of oil and natural gas, we may see the Province of Alberta as a have not province in the not too distant future.

The federal Government is cutting back on the funding and support which it will provide. That means that the provinces will either have to find new money—and most of the provinces have even more financial problems than the federal Government—or they will be required to cut their services or increase the cost to individuals who want to attend a post-secondary institution or need medical care. Let us look at what the effect of this will be on our universities. I will quote a sentence from the chairperson and Chief Executive Officer of Northern Telecom, one of the few companies in Canada which has devoted a great deal of its own money to research and development in new products which will provide jobs for Canadians. Walter Light said:

It is not only the quality and quantity of our engineers that is crucial to our future services. It is also the quantity and quality of our writers, our philosophers, our social scientists, our political scientists, our psychologists, our historians . . . All disciplines are important to our future.

All those disciplines and others will be adversely affected in a major way by the decision of the federal Government to cut back on the funding which is incorporated in this Bill.

As I have already indicated, the proposal to shift the cost burden to the provinces will affect most adversely and to the greatest disadvantage the poorer provinces which receive equalization payments and simply do not have the fiscal capacity for sharply increased revenue without distorting their whole tax structure.

When I say that, I am not speaking from what I consider to be a particularly politically partisan point of view. In February of this year Dr. Vail of the Canadian Medical Association spoke about the health system as these cut-backs go into force. He said:

We will have one quality of health care in the rich provinces and second or third rate services in the poor provinces. The dream of Canadians of having access to reasonably comparable health services, no matter where they live or travel, appears to have been abandoned by the Government of Canada.

In 1981, in talking about the proposal which was implemented by the then federal Liberal Government, a former Conservative Finance Minister in the Province of Manitoba said:

In our view, too much effort and too much goodwill over too many decades have gone into the creation of these arrangements—