

that the "have-not" provinces or the less developed provinces of Canada could not provide the services their people need, and that we would have a two-tier educational system and two-tier medical services across the land. That is what has been said by Justice Emmett Hall, the Conservative Government of Newfoundland, and others across the country.

Moving to another province, the Minister of Human Resources for Nova Scotia said that it would simply emasculate the post-secondary educational system, that it would be chaotic, and that regardless of whose numbers were used, the system would simply fall apart. He went on to say that they should keep their "dang hands" off the post-secondary system over which they have no jurisdiction whatsoever. Those were the comments of another Conservative provincial cabinet Minister. He added his support to the Green Paper from his neighbouring province and to the comments we have heard from the Province of Manitoba.

It is not only politicians of one political stripe, or politicians from one province, but politicians at the provincial level who recognize that we face a very serious threat or back-door challenge to universality in our medical system and a challenge to our ability to face the future with regard to the post-secondary educational system.

I see Mr. Speaker signalling that I have only a few minutes remaining. Others have spoken out against this piece of legislation. The Canadian Hospital Association indicated that the cut-backs, compounded over five years, would result in 10.4 per cent less than is expected for hospitalization services.

The Western Regional Conference Faculties Association also urged the federal Government to honour its commitment to full funding of the Established Programs Financing Act, including its annual accelerator, and requested that it propose to the provinces alterations in the structure of the transfers so that the provinces were encouraged to increase their funding as well. This is something the federal Government is unwilling to do.

Also The Canadian Medical Association fought against this piece of legislation. It urged the Government of Canada to reconsider its proposed policy and to consider a federal-provincial cost sharing policy for health care, providing reasonable and comparative services in all parts of Canada based upon the fiscal capacity of the provinces to finance those services. In a letter dated December 10, 1985, the association also warned, as has Justice Emmett Hall, that this would create a two-tier health care system, one for those living in rich provinces and another for those living in provinces with lower fiscal capacity.

If I had the time, I would refer to quotes from the Canadian Association of University Teachers, the Canadian Nurses' Association, and other groups. However, in the time remaining, I should like to give the Conservatives a chance to do what they said the Liberals should have done in 1981-82. I will give them a chance to actually negotiate the matter with the provinces. In that vein, I move:

Federal-Provincial Fiscal Arrangements Act

That Bill C-96, an Act to amend the Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act, 1977, be not now read a second time but be read a second time this day six months hence.

In conclusion, when the Conservatives were in Opposition, they condemned the fact that it was unilateral action and that there had not been discussions with the provinces. Now that they are in Government, it is their chance to live up to the words which they spoke so eloquently in 1981-82.

● (1210)

The Acting Speaker (Mr. Charest): I find the amendment of the Hon. Member for Churchill (Mr. Murphy) to be in order. Resuming debate on the amendment.

[*Translation*]

Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I think it would be useful to give a short overview of Bill C-96 that differs from what we heard Friday and this morning. Bill C-96, which amends Part VI of the Federal-Provincial Fiscal Arrangements Act, 1977, is actually a vital part of the economic strategy set forth by the Government in November 1984, and explained by the Minister of Finance (Mr. Wilson) in his economic message in 1984, as well as in the May Budget in 1985 and in the Budget brought down in February 1986.

Mr. Speaker, we have heard Members of the Liberal Opposition and Members of the New Democratic Party who of course criticized the Bill, as they criticize everything that is tabled in the House. I think it is wrong to look at Bill C-96 from that particular point of view alone and state that these are cutbacks. In this Bill we are not making cutbacks in transfers to the provinces. We are only slowing the growth of transfers made by the federal Government to the provinces. And we are doing so for a very good reason. When the previous Government was still in power, all it did was spend, spend and spend again. Now we have a national debt of over \$200 billion. Quite frankly, if the Opposition were the least bit realistic, I think it would agree we cannot go on living on credit and borrowing to pay the interest. I am not talking about transfers to the provinces but strictly about paying the interest on what was spent, and let's not say how it was spent, by the previous Government.

Mr. Speaker, our strategy for economic renewal is working very well, at all levels, and Bill C-96 is part of this strategy. We said: All Canadians will have to shoulder their share of cutbacks and reductions. We have no choice. And as far as transfers to the provinces are concerned, we have planned for an increase of \$1 billion per year over the next five years. At the end of those five years, we will have provided \$90 billion, compared with \$65 billion for transfers to the provinces during the five previous years. I think this shows there is a sensible and reasonable increase. It will be about 5 per cent per year. This increase is meant to cover inflation and also considers two vital aspects: the priority we have set on economic renewal and our formal commitment to post-secondary education and health services. I don't think anyone can deny that. What we