

*Federal Transfers to Provinces*

The merits of this were questionable because it went right to the heart of the role of higher education in our country. What is the primary role of the university? Is it supposed to produce bodies like sausages at the end so that we will have 5,000 lawyers, 3,000 engineers and 4,000 computer scientists? Or is the objective to educate people and give them freedom of choice as to the type of education they want? Should there be the type of education that the university thinks is right for the community that it is supposed to serve? That is one of the key questions which must be asked here, because if we have a withdrawal of the freedom of decision concerning the type of education we have from the regional level to the federal government level, we will lose the sensitivity of today's universities toward meeting the needs of their communities.

● (1520)

We need a national overview and we can get that from Manpower. That would be important in helping the universities and the students. What we do not need is the federal government using the power of taxation to force universities to do things that might not fit in with the requirements of their regions.

Let us also consider the practicalities of greater control by Manpower of what comes out of the universities. That question was put at three separate hearings with three different groups of people. Interestingly enough, the same answer came back each time to the following question: who has the best feel as to what job opportunities are going to be available in five, six or seven years' time? Each time the same answer came back: The students—not the university president, not the professors, not the placement officers, but the students. It is very interesting that the student should have that best understanding of the opportunities available for him, because it is his life, his job, that is on the line. If the universities, the professors and the placement people cannot understand better than the students what the opportunities will be in three to five years' time, how can the Manpower department here in Ottawa have a better understanding? I would hope that the Secretary of State (Mr. Regan) would address that question.

The concluding question we must ask is whether the federal government should take an active interventionist role in the courses being offered. Equally important, are they capable of it? I think we have learned quite clearly from our budget committee that they are not.

The conclusion that we have come to on this side is that not only is this part of the bill wrongheaded but it could have disastrous effects on the universities and on the colleges, on the hospital funding and on the operations of the hospitals. Let us not make hospitals, universities and colleges a battleground between the federal government and the provincial governments. Let us solve those problems not on the backs of the hospitals and universities; let us solve those problems outside of that arena.

**Some hon. Members:** Hear, hear!

**Mr. Wilson:** Let us take the approach that we have discussed here and that is proposed by my colleague from Kingston and the Islands. Otherwise, these two important pillars of our society and our country will be undermined.

There is no real question that we have a problem. It is a problem compounded by the weak economy and by the budget that the Minister of Finance brought down last November. It has undermined in so many ways the ability of the economy to operate, and therefore the ability of the economy to generate the revenues on which governments must rely to finance their operations. So let us not compound that problem by moving precipitously without adequate consultation.

In my closing minutes, Mr. Speaker, I would like to discuss one aspect of the rationale that the government has given us for moving in the way it has. It is said that there has been an imbalance in the financial strengths of the two levels of government, the federal and the provincial. The federal government has said that it is necessary to embark on this path to restore the balance that was in place ten years ago. Let us look at some of these figures. If you look at raw figures between 1959 and 1978, apparently the federal share of total government revenues dropped from about 52 per cent to 32 per cent. I maintain that that is not an accurate reflection of what is happening because those figures back in 1959 were still high as a result of the type of government responsibilities that we had coming out of the post-war era. So, viewed in isolation, you cannot say that there is an apparent problem.

Let us look at what has happened since the early 1970s, to get a clear understanding of the problem. There has been a reversal in the surplus and deficit positions of the national and other levels of government. During that period, the provincial or local level was in surplus in 1978 and the federal government was in a very large deficit position. Let us look behind those figures. First, the draw from the federal share of revenues after excluding the amount of transfer to the provinces reflected not so much a loss of power by the national government, but rather an assertion of its power in establishing programs. I am thinking here of the programs for hospital insurance, the Canada Assistance Plan, medicare, post-secondary education and so on. It used its federal spending power to finance services in the fields of provincial jurisdiction. The federal government which initiated these programs did so to leave the direct financing and day to day administration of them to the provinces. But their establishment meant that a transfer of the money and the tax points to that level of government from Ottawa was an important element in that whole process. That is not necessarily an unfair bargain because I think we can all understand that the level at which the taxation occurs, or at which the financing of those programs occurs, should be related to the administration of those programs.

We reached a watershed in 1977 because in return for granting greater flexibility to the provinces in the spending of the health care transfers, the federal government was released