

What was at that moment in time an economic prophecy has become a sad reality as we face the situation proposed by this bill on this day in the House of Commons, because the institution of federalism has been challenged in a fashion which is not in the best interests of our nation. We have seen provinces at loggerheads with the federal government and we have seen the federal government issue some edicts to the provinces which they cannot digest in good faith. It will give them trouble. An editorial article in *The Globe and Mail* today included a comment made by the Prime Minister last month which reads:

The old type of federalism—where we give money to the provinces, where they kick us in the teeth because they didn't get enough, and they go around and spend it and say, of course, "It's all from us"—that type of federalism is finished.

I want to say to you that the provinces entered into various agreements with the federal government and they entered into them in good faith. At no time has there been any denial by the province of New Brunswick that it is dependent because of its have-not status upon the moneys from the federal treasury, and at no time has it lacked public statements of appreciation for the contribution which was made to the wellbeing of that government and to the people which that government served. For the Prime Minister to pick up the route which was adopted by our minister of health in the House from 1979 to 1980 until she got her fingers rapped and claimed that the provinces are not spending the money in the pursuit of the purposes for which it was paid is not in accord with the facts as they are. To verify that one merely has to refer to the all-party committee which investigated provincial expenditure. As my friend, the hon. member for Kingston and the Islands (Miss MacDonal) stated in the course of her remarks, they were not diverting these moneys from the purposes for which they were allocated by the Government of Canada.

• (1750)

We cannot continue—I plead with this House and the cabinet ministers—on the basis of confrontation, which has been characteristic of this government for so long. Putting finances aside for the moment, I plead and appeal to the government to get down to the nitty-gritty of how to re-establish the framework of friendship which existed in virtually every other federal-provincial negotiation on cost-sharing and federal funding. The article which I read from continues:

But there is a difference between renegotiating a contract and delivering ultimatums.

These are not my words; it comes from today's issue of *The Globe and Mail*. It is self-evident that even the press recognize that the provinces are no longer negotiating with the federal government; they are receiving ultimatums. They are virtually immovable ultimatums. The government does not want to deviate from its initial position, and consequently we find the provinces in the position of having eventually to submit themselves to whatever they can get regardless of what it may do to them. The article goes on to say:

Mr. Regan did offer last month to extend support for post-secondary education, on the present terms, through 1983-84, but he laid down three

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conditions: that the provinces agree to match federal funding of post-secondary institutions for the next two years, which seems reasonable; that they agree in principle to let national goals govern their universities and colleges, which seems unreasonable; and that they discuss mechanisms to improve accountability for their spending, and idea which smacks of unwarranted federal interference in provincial affairs. Ottawa's main preoccupation seems to be with receiving credit for the money it raises through its taxing powers—a foolish exercise which is unlikely to concern the average taxpayer who pays the shot whether a federal or provincial government removes the money from his or her pocket.

Mr. Cullen: Blow it away and no accountability.

Mr. Epp: No accountability? Be serious.

Mr. McCain: Mr. Speaker, I am shocked that a former member of the cabinet of this nation would make such a snide and irresponsible remark. I would ask you to refer to the report which was issued under the chairmanship of the hon. member for Gloucester (Mr. Breau). He will deny the insult which you just passed out because, believe me, there are voters looking over the shoulders of every provincial government in this nation, and irresponsible expenditures—just listen for a minute, will you?

Mr. Cullen: I am listening to the hon. member.

Mr. Deputy Speaker: Order, please. I am sure the hon. member is aware that remarks should be addressed to the Chair.

Mr. McCain: You might remind that former cabinet minister of that because he seems to be somewhat ill-informed, Sir. I say that respectfully and without any intent to offend the position of the Chair.

Mr. Taylor: The only time he makes a speech is when he is sitting down.

Mr. Cullen: You have not been listening, Gord.

Mr. McCain: If these provincial bodies do not render a satisfactory level of service to their voters they do not stay in office, believe me. That is one of the checks and balances of the system. All irresponsible accusations to the contrary, Mr. Speaker, those moneys have been allocated in the best possible way by the government of the day in every province in Canada.

These are not my opinions which I have read into the record, Mr. Speaker. These are the opinions of a writer in the press. I want to repeat what it said:

—a foolish exercise which is unlikely to concern the average taxpayer who pays the shot whether a federal or provincial government removes the money from his or her pocket.

The article goes on to suggest that the government has other ways of approaching this:

It may even offer bursaries—additional to its level of funding—to encourage students to enter these fields.

But it should not use coercion to tell the institutions what to do. It should not use its taxing power to blackmail the provinces into letting Ottawa intrude in areas under provincial jurisdiction. The educators have enough worries dealing with one level of government—they should not have to cope with a federal level which has a history of leaping in and out of shared-cost programs when the mood strikes it.