

Medical Care Act

World War II. The number of people attending our universities has grown fantastically. Community colleges which did not exist until a few years ago are now functioning and growing in every province in this country. We have built technical institutions in this country for thousands of young people. We have retrained hundreds of thousands of Canadians whose education was such that they could not fill the jobs that were vacant in this country.

Despite that, this federal government has again, in the field of post-secondary education, announced that it is restricting the size of the increase it will pay in any year for such education to 15 per cent. Was that done on the basis of an examination of the needs? No. Was there consultation among the federal government, the department of the Secretary of State, which is the department responsible for what Ottawa does in the field of post-secondary education, and the provincial departments of education and/or the colleges and the universities? No. There was no formal discussion, and so far as I can find out there was no informal discussion. Yet there is to be a limit of 15 per cent on what the federal government will pay out, beginning this year.

Is this being done because it is good for education? No, not at all. Why? It is because the federal government set itself the goal of restricting the increase in its expenditures for the year 1976-77 to 16½ per cent, regardless of the consequences of that policy. The government was not satisfied with simply saying it would restrict the increase of expenditures for post-secondary education to 15 per cent. It has now decided to cut back on the actual payout to the provinces for post-secondary education.

Let me place on the record what that meant as of just a month ago. Although we have had no formal announcement, I believe the situation in fact is much worse than will be indicated in the figures I will now put on the record. The provinces, in the field of post-secondary education, will lose in two ways in the year 1976-77. First, the application of the 15 per cent ceiling which Ottawa has announced will mean a payments shortfall of \$63.1 million for all provinces, combined, for the coming year. Second, the newly-announced cut-back in cash payments will mean an additional reduction of \$110.7 million for the ten provincial governments. Thus, the total shortfall resulting from these two figures will be \$173.8 million.

Because of the decision to cut back on cash payments, the expected or true ceiling on federal payments for 1976-77 will not be the 15 per cent announced by the federal government but, in fact, will be 7.7 per cent for each of the ten provinces. As a result of the federal cutbacks, Ottawa's total share of shareable post-secondary costs in 1976-77 will be just 45.5 per cent instead of the normal 50 per cent. Of course, Ottawa counts 4.357 percentage points of provincial personal income tax and one point of provincial corporation income tax for which the provinces take political responsibility, along with related equalization and revenue-guarantee payments as part of the federal share. If these amounts are netted out, the real federal share, in terms of cash payments, is only 15.1 per cent of total shareable post-secondary education costs. The provinces affected most seriously by the double impact of the 15 per cent ceiling and the cash payment cutback are as follows: Ontario, which loses a total of \$80.4 million; Quebec, which

loses a total of \$42.5 million; B.C., which loses a total of \$22.6 million; and Alberta, which loses a total of \$9.4 million.

I place those figures on the record partly for the benefit of members like the member for Kootenay West (Mr. Brisco), who spoke before me, who seemed to feel that we usually criticize the government for purely partisan political purposes. I would point out to the hon. member that respecting the four provinces I used in my illustration, Ontario and Alberta have Conservative governments, Quebec has a Liberal government and British Columbia has a Social Credit government.

Mr. Blackburn: Of sorts.

Mr. Orlikow: Of sorts, as my colleague so rightly points out. About a month ago, since the facts about the real cutback became known, some questions have been asked by members of the official opposition, which were replied to by the Secretary of State (Mr. Faulkner) and the President of the Treasury Board (Mr. Chrétien). It is interesting to look at the questions which were asked, not purely for information purposes and not just for the replies which were given, but for the language used in the replies. I shall place the questions and the answers on the record, because the answers show that the ministers felt that the provinces had to be taught a lesson in restraint, that the federal government believed the provinces may have submitted false or overly high estimates of the costs, and that the federal government has no immediate plan to make up the cuts in cash payments and may wait for three or four years before paying the outstanding amounts.

● (1740)

The Secretary of State suggested that the provinces were reluctant to meet with him to begin negotiations on a new financing scheme. There is no truth in that at all. Let us just look at a couple of the questions and answers that were given. On May 14, the hon. member for Kingston and the Islands (Miss MacDonald) asked the Secretary of State the following question:

It has to do with his admission of a \$111 million mistake in estimating the payments due to the provinces for the financing of post-secondary education under the Fiscal Arrangements Act. What justification does the minister have for renegeing on the agreement with the provinces to pay the full amount calculated under Section 6 of this act in respect of post-secondary education?

The minister replied:

First of all, Mr. Speaker, the notion of an admission of a mistake is the contribution of the CBC, not mine. I have never admitted to a mistake. It was not a mistake. It was one the realities of a restraint program.

He went on to say:

We shall be paying 50 per cent of the operating cost of post-secondary institutions. What is at issue here is the rate at which we shall be paying over the next three years.

Then the hon. member for Kingston and the Islands asked a supplementary question, and the minister said:

As to the time frame, that is a matter I shall be discussing with the provinces... It is not a question of error. We are talking here about estimated costs. The estimate offered by the provinces may in fact be higher than the real costs. We have a certain estimate—it happens to be a bit lower than the provincial one—but neither has been confirmed.

[Mr. Orlikow.]