

Federal-Provincial Fiscal Arrangements Act

In the 1984 election the Conservatives promised to maintain the 1977 arrangements. Now they are subverting them.

The Government is subverting them in this Bill. That is the tragedy of it.

How the Tories complained about the way the Liberals cut back to 6 per cent and 5 per cent in order to fight inflation for two years with regard to a section of these transfer payments! Not only did they swear that if they were elected they would go back to the old formula but they said that they would increase support for post-secondary education and for research. The following are the words of the Conservative Member of Parliament for Mississauga South (Mr. Blenkarn) who pleaded the case eloquently in 1982. He said:

We must have the development of intellectual capacity in the country. The only place in which that can happen is in the post-secondary educational stream. We require universities, technical colleges and community colleges. If we do not train our people, they will be incapable of competing in a highly technical world, will have to use the technologies of others, will truly be hewers of wood and drawers of water, and will have to live to the standards that exist in South Korea and Taiwan. It is a competitive world. If we do not keep up and keep ahead, our standard of living will drop to those of other countries.

We must keep our universities and colleges staffed, growing, capable of doing research and development and training people. That is a priority.

Those are the words of a Conservative Member of Parliament spoken at a time when the Liberal Government was in power. He was criticizing that Liberal Government for a temporary cut of transfer payments to 6-and 5-in order to fight inflation. His Government has now placed a permanent cap of 5 per cent on the matter. The Hon. Member for Mississauga South knows that this move is disastrous. However, we do not hear him complaining now about Bill C-96 to say that, in fact, his own Party has reneged on the priority of which he spoke.

The following are the words of the present Minister of Employment and Immigration (Miss MacDonald) as she said them prior to the Tories being elected. She said:

What really seems clear to me from the Minister's speech this morning is that the Government, divorced as it is from the real world, does not seem to be aware of the growing crisis in Canadian post-secondary institutions.

After one more quotation I will stop torturing my Conservative colleagues across the way. The following are the words of the Hon. Member for Brandon—Souris (Mr. Clark) who said:

We need more consultation with the provinces. We need the development of a national education strategy. Above all, we must understand that this is not the time to reduce in any way the vital resources which the federal Government has been transferring to the provinces.

That is what was said then by those members of the Government who were criticizing the cuts. Until that time the actual escalators which the Liberals brought into effect for the years 1970 on were 11 per cent, 10 per cent, 10 per cent, 11 per cent and 12 per cent. We then brought in the 6-and 5-program. Of course, this certainly indicates that the previous Government was providing escalators which were at least much larger and more significant. Nonetheless, the Tories considered that that record was not good enough.

Where are these Tory MPs now when their Government, their Party, and their Prime Minister have broken faith with the provincial Governments and, above all, with our youth, the future of us all? Why do Conservative Members of Parliament not speak up now as they did before the last election and try to do something to save our educational system?

I have said that the Tories stand condemned for three reasons. The first is for their breach of promise, upon which I have elaborated. The second is that they make the strong stronger but, tragically, in doing so they make the weak weaker. The Government has a knack, not only in its Budgets but in its programs, for making the rich richer and the poor poorer. As my colleague, the Hon. Member for Grand Falls—White Bay—Labrador (Mr. Rompkey), said so eloquently on April 25:

In my own Province of Newfoundland there will be a reduction of \$7 million in 1986-87. Newfoundland will get \$7 million less than it had expected. It will have to find that money within its own economy. Over a five-year period the province will receive \$48 million less than it expected. That is in the province which has the highest unemployment rate in the country and an economy which is very, very vulnerable, and which has already experienced cut-backs in government programs. It has seen the lay-off of public servants. It has seen the world oil price plummet, which has put in jeopardy the one great hope which the province had, that is, the development of Hibernia. Newfoundland and other provinces like it will be forced to look to their already weakened economies to make up the disparity in funding.

In his attempt to come to grips with inflation at the federal level and to lower the federal deficit, the Minister is passing the problem on to the provincial economies. I am not alone in taking this position. It has been echoed by the Premier of Newfoundland.

This is the concern which we have. There is no doubt whatsoever that it will be students and the economically poorer provinces who will suffer the first and the most as a result of this cut and others imposed by the Government. I say this, whether or not we are referring to student loans, bursaries, tuition fees, or the quality of facilities in education. Because of this regressive Tory policy the poor will get poorer and the rich will get richer. There will be poorer education and fewer opportunities for the poor.

● (1230)

In November, 1985, Premier after Premier protested the action of the Government and said that the reduction in the growth of federal funds for health and education was made without consultation. Take, for example, some of the concerns expressed by Tory leaders in the provinces. Terence Donahoe, Nova Scotia's Minister of Human Resources Development and Training, said the following as quoted by *The Globe and Mail* of January 28, 1986:

—if Ottawa goes ahead with a reduction in grants, "it simply will emasculate the post-secondary education system. It is going to be chaos and chaotic. Regardless of whose numbers you are going to use, the system is simply going to fall apart.

How can the Tory members of the Government here in Ottawa say that it is not true that this will have devastating effects on the provinces or that the provinces understood and agreed with this? How can they possibly put that notion forward when we heard from Newfoundland Tory Premier Brian Peckford, as reported in the same article, the following: