

We have almost every provincial Government in Canada expressing outright opposition to this approach and telling the Government that it is breaking a trust that it promised before being elected that it was not going to do this, that it would continue with the level of funding at the level it had been in 1977 by the same formula.

You also have every province saying that it does not have adequate funds in its Treasury to take the place of the increases that the Government is reducing. The provinces are going to have to take those funds away from other projects. The quality of life in our province, the quality of life in Newfoundland and Prince Edward Island, in Quebec and Manitoba, is going to be reduced because the federal Government is breaking its promise.

It is important to point out that the people of Canada are recognizing the direction in which this Government seems to be going, as expressed, I suppose, most vividly in the Nielsen report. Every area which is costing the Government money is being looked at, and either eliminated—without consideration for what it is going to do to the fabric of our society—transferred to some other body, or paid for by the citizens themselves.

The tendency for the Government to transfer the costs to another body is, I think, what the provinces are resenting the most. The fact that the deficit, which the federal Government created, is being transferred, not to the people who increased the deficit or who had a great deal to do with the establishment of the deficit, but to the provinces, which have, in most cases, been very careful about deficit funding. Most provinces do not have a large deficit at the moment, but are being forced by this Government, in its attempts to eliminate its deficit, into a deficit position.

What will the future effect be of less money being given to the provinces? It is going to be things like extra billing and hospital costs charged to the patients. The effect will be psychological as well as physical. People will begin to think that it is too expensive for them to get the kind of education or the kind of health care that they need. Perhaps the most important consideration is that the best economic asset for any country is to have a well qualified and well educated workforce. When the quality of higher education throughout the country is reduced, the effectiveness of the workforce diminishes, thereby lowering the chances of greater economic development. When one considers that economic development is the means by which to eliminate the deficit, the effect of reducing the quality and quantity of higher education will have the long-term effect of depressing the economy even further.

● (1730)

Mr. Rompkey: Mr. Speaker, I listened with interest to the Hon. Member's speech and I congratulate him for making the points he has made.

Federal-Provincial Fiscal Arrangements Act

The Hon. Member talked about broken trust, unilateral abrogation of a pact between the provinces and the Government of Canada that was to last for a number of years, and he talked about the transfer of the deficit which shifts the burden of that deficit from the Parliament and the Government of Canada to the provinces. All of those comments are valid.

He also talked about the kind of pressure that would be put on certain provinces, such as mine, which has the least fiscal capacity and the highest taxation in the country. It has the lowest per capita income in the country. The result of shifting this additional deficit burden on to the province will make it virtually impossible for that province to react positively and make up the difference. The burden will ultimately fall on the students because the universities also do not have the financial resources to make up the difference.

The Hon. Member made a valid point that the Government is really imposing a burden on our young people, the group in our society that is least able to bear that burden and should not have to do so. This Act, as it affects post-secondary education—notwithstanding its effect on health care—will place an undue and unfair burden on our young people. It is those very people on whom we depend.

I want the Hon. Member to comment on one aspect which I am sure he has thought about but did not mention. What will be the effect of this Bill on the country as a whole? We have some excellent scholars, excellent teachers and outstanding students. However, the post-secondary education community, among others, has said that because of the parameters in which they have to work we are in danger of not only creating a second-class educational system, but a third-class educational system. The Hon. Member's colleague from Windsor commented on this aspect this morning.

I would like the Hon. Member to address the point raised in a recent book by three eminent scholars, entitled *The Great Canadian Brain Robbery*, that professors are escaping and students are leaving this country to go to the United States. Surely that has an effect not only on them, their parents and the job market, but on the country as a whole.

The Prime Minister (Mr. Mulroney) will be on television tonight to talk about trade. A component of that subject is national sovereignty. What does the Member think about the whole issue of national sovereignty and what effect this policy of the Government will have, not only on young people but on the very fabric of the nation itself in helping to give Canada an identity?

Mr. Hovdebo: Mr. Speaker, the Hon. Member raises a very valid concern about the effects of this Bill. Not only will we be cutting ourselves off economically if we cease to provide the best quality education to the greatest number of students, those students who do manage to get the education will be looking elsewhere for better opportunities. It was not too long ago that often we could not find qualified professors in our country because the quality and quantity of our education was not adequate. While we have been able to develop our own