

*Federal-Provincial fiscal arrangements*

It could be argued that provinces like Ontario have the fiscal capacity to raise \$3 billion over a five- or six-year period. However, if they do that, it will just confirm what we have said since the beginning, which is that the federal Minister of Finance has transferred his problem to his provincial counterparts. For the other provinces that do not have the fiscal capacity to raise the money through income taxes, sales taxes or any other form of taxation, the result may be a lower level of services in health and post-secondary education.

For the Province of Manitoba, the cumulative effect of Bill C-96 for the same period will be close to \$340 million. I would like to hear my colleagues from Manitoba rise to tell the House their point of view on how the Province of Manitoba will be able to finance this \$340-million shortfall. The Minister of Education for the Province of Manitoba said that this \$340 million represents a big part of the budget for the province's services. Unfortunately I cannot find the citation, but I recall that the Minister said that that \$300 million represents the cost of operating the universities in that province for one year. That is a lot of money. Someone will have to pay that money. Will it be the students, the families of the students, the taxpayers or the deficit? Only the future will tell us what will happen.

The Province of Saskatchewan will lose \$320 million, about the same as Manitoba. With the Farm Bill that has been adopted in the U.S. which pays huge subsidies to U.S. farmers, the international price of wheat is lower than the cost of production of wheat in Saskatchewan. I do not know where the Conservative Government of that province will find the tax base from which to raise \$300 million in taxation just to replace what it was supposed to receive from the federal Government through the fiscal arrangements which had been accepted for the years from 1982 to 1987.

● (1700)

As a result of Bill C-96, the Province of Alberta will be losing \$743 million, along with the oil crisis. I do not know where it will find the money to replace what the Conservative Government in Ottawa decided to do in cutting the transfer payments for post-secondary education. I am sure the Conservative Government of Alberta is not very happy with Bill C-96. It will have to make very tough decisions in that province.

The Province of British Columbia will lose \$900 million as a result of Bill C-96. The amount of money for 1986-87 is \$36 million, but the situation faced by British Columbia is the same as that faced by the other provinces; it rises with the years.

Every province will face very difficult problems. The cumulative effect of Bill C-96 from fiscal year 1986-87 to fiscal year 1991-92 will amount to a total of almost \$8 billion for all of Canada. What do these figures mean? Only the future will tell. I am sure someone will have to foot the bill.

The federal Government made a unilateral decision not to pay. It changed the rules of the game unilaterally and

transferred the problems of the federal Minister of Finance to the Ministers of Finance of each and every province. It is unfair. It is not good for Canadian unity. It is not good for post-secondary education. It is not good for Canadian health services.

The Bill should be defeated in the House, or at least the Minister of Finance should think twice before pushing it through third reading stage.

[*Translation*]

Mr. Speaker, if the Minister of Finance and the Government absolutely insist on adopting Bill C-96 without changing its effective date or adding a sunset clause, this Bill will result in an enormous injustice for Canadian provinces, but also and especially for Canadian men and women who will have to foot the bill one way or another, for it is unthinkable that in 1986 and the years thereafter, Canada should spend a smaller proportion of its Gross National Product as years go by, and that we could find ourselves by the end of this decade in a situation where all our hospital facilities will need millions of dollars in repair, something we can feel already. When we talk to hospital administrators, what do we hear?

They say that capital expenditures have to be made and that they need more operating capital to maintain the quality of hospital facilities, not to build extensions or install new carpeting, but only to maintain the current structure.

We have read about in newspapers or seen on TV hospitals with leaking roofs and without any money to repair them. And the federal Government thinks that it can cut \$8 billion over a five or six year period in the growth of transfer payments without serious consequences, that it can tighten the belt in all sectors while maintaining the quality of services.

Mr. Speaker, the Government should not dream in colour and think that the considerable impact of Bill C-96... Mr. Speaker, some people might get the impression that we are deliberately wasting the time of the House by talking on and on. Well, Mr. Speaker, the only way we on the Opposition benches can draw the attention of the public to the harmful consequences of this measure is precisely to do what we are doing now, and to stress the fact that, because it is not easy since people do not always fully appreciate the secondary effects of certain Bills—

**An Hon. Member:** An uncaring majority.

**Mr. Garneau:** That's it. And Government Members did try to rush the committee proceedings. They tried to sell a bill of goods with a small booklet which contains nothing but half-truths. In fact, the consequences are far-ranging.

With respect to our health care system in Canada, some people may think it is rather expensive but it accounts for a smaller share of our gross national product as compared to the United States. Where we are ahead in Canada is that our system covers everybody, rich and poor alike, whereas in the United States, according to the 1980 figures provided by the Manitoba Minister of Health—just imagine what the figures