

Federal-Provincial Fiscal Arrangements Act

(Mr. Wilson), as not being a cut but simply a reduction in the rate of growth. When a province has budgeted for certain increases, reduction in the rate of growth is in fact, in practice and in reality a cut to the amount expected and required to pay for the needs of the people of the province.

What I think is so particularly sad about the action taken by the Government with respect to the established programs financing is that it runs directly counter to what the Government said it intended to do when Conservative Members ran for election in 1984. According to the Conservative Campaign Handbook of 1984 in which, as usual, the Conservatives attacked the Liberals and New Democrats for their inadequacies, the Conservatives said very clearly that it was the PC position that they would return to the 1977 funding formula although they could not compensate the provinces for their funding losses under the 6-and-5-program. They also said that they would institute regular consultation with the provinces as set out in the original agreement to reach a consensus on national goals.

Those remarks referred to post-secondary education, just one of the set of programs with which Bill C-96 deals, but very clearly that makes the point that the Conservative Party promised to turn around the past attempt to squeeze the provinces and, instead, offer increases which would keep up with the increase in the Gross National Product and therefore provide the provinces with the financial mechanisms required to fill the crucial needs of the people in the fields of education and medical care and to fill the other basic needs for which federal financing provides.

What is the reality as opposed to the promises made by Conservative Members before they were elected? The reality is that Bill C-96, instead of bringing a return to fairness, predictability and consensus with the provinces, has brought an increase in the slash-and-cut technique for which the Conservatives blamed the Liberals prior to the 1984 election. Conservative Members were right to blame the Liberals for that kind of slash-and-burn technique. They are wrong now to adopt that technique and to put into effect what amounts to, first, a complete break from their own promises and, second, a reproduction of past Liberal mistakes.

In reality, as a result of this Bill, there will be a tremendous decrease in the funding available to the provinces to meet basic human needs. Under the old formula which is in existence at the moment, the provinces expected to receive roughly \$97.7 billion in federal contributions between 1986 and 1991. The new formula which Bill C-96 will put into effect will provide roughly \$92.1 billion. One does not have to be a mathematical whiz to see that a cut of more than \$5 billion has been imposed on the provinces.

I say to the Conservative back-benchers who represent Ontario that they should be protesting against this Bill particularly strongly. The cuts under this Bill will hit Ontario in larger measure than any other province. According to our statistics, over five years, in excess of \$2 billion will be cut back from the amount of money the Province of Ontario would

have expected to receive from the federal Government in order to pay for basic post-secondary education costs and medical care.

We might ask ourselves why it is that the Province of Ontario faces a serious crisis in health care. This was shown by the protests of doctors and medical personnel which were heard yesterday in Toronto. Why is that crisis in health care being experienced? Why is a crisis in funding for post-secondary education being experienced? Students and university professors have spoken to our committee and other committees about that crisis. The answer is very clear. It is because of the slash-and-burn technique which Conservative Members are now putting into effect in the name of some kind of crazy deficit reduction which is occurring on the backs of the ordinary people of Canada. It is not fair, it is not just and it should not be permitted in a federal system. There should be a bond of faith in the federal system between the federal Government and the provinces that they are guaranteed a set amount of money on which they can count.

● (1650)

We have here a Bill which not only breaks promises to the people of Canada but also breaks faith with the whole federal system in which the Government claims to have such great faith and belief. It is, in short, Mr. Speaker, an example of how badly misguided this Conservative Government has become in the less than two years since it took office.

For myself I have to say that it is with great regret that I see Bill C-96 brought before this House of Commons for it represents the destruction of the faith people had in a change of Government and what that change might have brought about.

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, Bill C-96 has to do with what we call the established programs financing arrangements which are negotiated between the federal Government and the provinces of Canada. It is called EPF for short and it deals with health and post-secondary education. The reason we have EPF is very simple. It was decided a long time ago that what we wanted in this country was to have nationally acceptable standards in health care and education. What we are doing with Bill C-96 is changing an established programs funding into a destabilized programs funding. We are destabilizing the program. Instead of EPF it is DPF.

The Minister of Finance (Mr. Wilson) has offered a rationale for Bill C-96. It goes something like this. What we have at the present time is a runaway deficit. The impact of this runaway deficit is far greater than that of shifting it to the provinces. That is the Minister's argument. Let us consider that for a moment. I do not think we can disagree with the Minister of Finance that we do have a runaway deficit for that is hard to argue against. It is hard to say that the deficit is not a serious national problem. It is so serious that in the very near future, in the early 1990s, we may be spending 50 cents on every tax dollar collected just to pay the interest on the