

*Federal-Provincial Fiscal Arrangements Act*

provide hospitalization, medicare, and post-secondary education services. Yet here we are, five years later, and provincial deficits have climbed enormously right across the country, regardless of political stripe. Because of the years of recession and high unemployment, because of the fact that money was not coming in from traditional sources and because of the cuts the Liberal Government made in the past, the provinces are now facing very high deficits. What the Minister of Finance said in 1982 while he was a member of the Opposition was true then, but it is even more true now.

Now that the provinces are in a much worse financial situation, with their credit ratings decreasing and interest rates increasing, the federal Government wants to take more money from their pockets. It wants to put a further strain on already strained provincial economies and it wants to make the provinces find the money that is being taken away from post-secondary education and medicare.

I do not want to spend all of my time repeating the words spoken by the Minister of Finance when he was in Opposition. They were fine words and fine sentiments. If he believed them then, he should believe them now. However, there is one other statement that I would like to put before the new Conservative Members who were elected in the 1984 election and do not know what Conservative Members used to say when they were in Opposition. Again, as reported in *Hansard* of March 23, 1982, the now Minister of Finance said:

This is no time for confrontation and it is no time for unilateral action. This is a time when we need co-operation to nurse the tender relationship which exists between the two levels of Government.

Those were fine sentiments. It is necessary that the Conservative Government believe in those words now.

Some Government Members would say that it is only the New Democrats and Liberals, now in Opposition, who are opposed to this legislation. Some editorial writers are indicating that the federal Government is only doing what is necessary, and that because it is going to increase the number of dollars that go to the provinces each year it is looking after the needs of those who are involved in post-secondary education and those who are in need of medical services.

I have already dealt with the fact that we know that costs are increasing by more than the amount of money the federal Government will be providing. However, it is not only New Democrats and Liberals who at this particular time have decided that they do not want to see any further cutting of funding to medical services. Provincial Governments right across this country have decided that as have university professors, nurses, and doctors who recognize that Bill C-96 is wrong-headed legislation.

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I should like to refer to a Green Paper on health care system expenditures and funding which was released by the Government of Newfoundland in January, 1986. It indicates the problems which that province, as a "have-not" province, will be facing as a result of federal cut-backs. It was made very

clear in that Green Paper that the Province of Newfoundland faces difficult decisions as a result of the actions of the federal Conservative Government. As a matter of fact, they were the same actions as those of the previous Liberal Government; they are just further down the road decreasing support for medicare and post-secondary education. As a result, Newfoundland has some very horrific issues, some very unfortunate questions, and some difficult problems with which to deal.

I should like to refer to the choices as the Government of Newfoundland sees them. On page 13 of the Green Paper the following is asked:

Is Newfoundland and Labrador the only area of the country grappling with health care financial issues?

As one would expect, the Government of Newfoundland answered that question in its own way. It indicated:

Definitely not. All provinces in the country are experiencing significant difficulties with the financing of their health care programs, especially as they face the reduction in the rate of growth in EPF transfers by the federal Government.

EPF is another way of saying money for medical services and money for post-secondary education. As I said earlier, the blame is laid on the previous Liberal Government and, even more so, on the present Conservative Government.

What choices does that Government have in terms of dealing with the problems? According to the Green Paper, its first option would be:

Privatization, in whole or in part, of the health care system through either private ownership, management or funding.

In other words, one way out would be to privatize medicine. Over 20 years ago the country decided that it did not want to lose that battle, that it wanted a publicly administered and publicly financed medical health system. It was decided back in the sixties, and there has been no indication that the people of Canada feel any differently now.

The second option it considered would be:

Changes in health care expenditures beyond those recommended in the Royal Commission on Hospital and Nursing Home Costs.

In other words, another reduction in services. Its third and fourth options were deficit financing and the tax system.

When one delves into the paper, one clearly understands that the people of the Province of Newfoundland are already the highest taxed of any people in the country. Therefore, changes to the tax system to bring in more money to make up for federal cut-backs was not really an option. As far as the deficit financing option was concerned, it was not really an option because the province was already severely in debt and its debt was growing without it making up for the federal shortfall. Newfoundland saw, as its way out of a dilemma, privatization or a reduction in the level of services, the very things against which the Minister of Finance, the Minister of National Health and Welfare, and the Minister of Employment and Immigration fought five years ago.

Earlier this month in a rally in Winnipeg Justice Emmett Hall indicated that if we passed Bill C-96 we would ensure