

*Federal Transfers to Provinces*

bargain. It asked the provinces if it would go for this proposal and they said they would.

● (1720)

There was an extra amount of money contributed to the established programs financing. It did not have the name "revenue guarantee". It went into a program called established programs financing. Unless I have a complete misunderstanding of linguistics, it seems to me that when you contribute money to a program called established programs financing, it is money for programs.

The fact of the matter is that the Liberal government itself saw the revenue guarantee this way. It went across Canada, particularly at the beginning of 1979, self-righteously quoting the percentage of federal spending on health care and post-secondary education which included the revenue guarantee. They were quoting these figures to the provinces and would indicate to a province that the federal percentage of spending had risen to 56 per cent in "x" province, for example, while the province's expenditure had gone down to 44 per cent and wasn't that terrible. They were pounding the hustings with these figures which they then completely disowned in their budget and now in this particular proposal. For five years those funds attributable to the revenue guarantee, which were thrown in to sweeten the bargain in 1977 were said by the Liberal government to be used for health care and post-secondary education, and they chastised the provinces for not spending that money for that purpose, from one end of the country to the other.

I admit that those provinces which adopted those arguments talked themselves into a corner. The provinces have said the contrary, that the money attributable to the revenue guarantee was not earmarked. They said they did not have to spend it on health care and post-secondary education. In fact, some provinces said that the money which they received through the tax point transfers was not earmarked and they were not accountable for that money. The fact is that the Liberal government said that those funds were to be used for health care and post-secondary education. We supported their position. It was our belief that the money was earmarked for those two particular programs.

The irony of this situation, which I have been trying to articulate since the budget, is that the Minister of Finance is now beginning to sound like the provinces when he says that the money is not for health care and post-secondary education. We refer to this situation as the irony in the task force report on fiscal arrangements. The federal government now appears to have adopted the views of the provinces and the provinces seem to have adopted the views of the federal government.

After seeing this irony and considering the various alternatives of how this money which is attributable to the compensation for the termination of the revenue guarantee can be used, what were the recommendations of the task force? The task force said that by virtue of the federal government's own internal allocation over the years the revenue guarantee should be regarded as money for health care and post-secondary education. The reason for this view was that we did not want

to see any reduction in the over-all funding for those programs. In addition, there is the question of consistency and, I submit, of honesty. If the federal government has taken the position for the last five years that the money was provided for health care and post-secondary education, it cannot withdraw that perception whenever it feels it is convenient to do so. We will not let the Minister of Finance get away with that kind of sophistry.

No matter how many times the Minister of National Health and Welfare (Miss Bégin) rises to say that she has obtained a 12 per cent or 13 per cent increase in funding, it is clear that the percentage she is talking about is a percentage of the base without the revenue guarantee. When you take into account that revenue guarantee, the result is approximately a 4.6 per cent increase and really an 8 per cent reduction. Those are the facts.

What will be the consequences of this? Not only will there be less money for these programs, which is a serious consequence in itself, but the political consequences, as I see it, will be even greater. The Minister of Finance is creating a political context, indeed, the political pretext for the provincial governments—at least some of them—to blame the federal government for the erosion of medicare. There are those provinces which are not philosophically wild about medicare. The province of Ontario is one example. The difficult economic times we are experiencing would have been reason enough for some provinces to say they have to find more ways of obtaining private funding for their publically funded health care programs. They are beginning to do so already, but now the federal government has aided and abetted those forces which would like to dismantle the extent to which the medicare system is publically funded.

Once again, this is an irony. The Minister of Finance introduced medicare in the House when he was the Minister of National Health and Welfare. I suggest that he is now creating a political scenario which will eventually lead to the erosion of medicare as a national health care system. There will be those provinces which will, for various reasons, not see their health care standards eroded; but mark my words: the Minister of Finance has created the political pretext for governments such as the Ontario government—which does not want medicare in any event—to introduce more private funding mechanisms while using the federal government as an excuse for doing it.

I wish to make it clear that I do not feel that the provinces were without guilt in the past or will be in the future, but as a member of the House of Commons of Canada, it is my responsibility to point out to the government what it is doing wrong. It is not sufficient for members opposite to blame the provinces, two wrongs do not make a right. As a result of the Liberal government adding to the restraint which has been practised by so many provinces, particularly in health care, since the 1977 agreement, the problems which face medicare have become compounded rather than improved.

In that respect, the confidence with which the Minister of Finance claims that the government's proposals are in tune