

Federal-Provincial Fiscal Arrangements Act

I know the Government says that these measures represent a decrease in the increase, that the actual amount of money the provincial Governments will receive is increasing. However, it is not increasing as fast as costs are increasing. As a result, the quality of our education and health care systems will be reduced.

The result of this legislation will be that the provinces will receive less money than they have been counting on for education and health care. If the provinces decide that they have to put into health care and education money they had been collecting in taxes for other purposes, they will then be reducing other kinds of services. It is not a matter of this legislation affecting just health care or education. In fact, the whole fabric of social services in Canada is dependent upon the kind of sharing of costs established in the 1960s between the federal and the provincial Governments. That fabric is being torn.

This is also a matter of the Conservatives breaking one more election promise. They promised faithfully over and over again during the election that they would return to the 1977 funding formula although they could not compensate the provinces for the 6 and 5 funding losses. That was their commitment. They said they would institute regular consultation with the provinces as set out in the original agreement and reach a consensus on the nation's goals for post-secondary education. That was the promise. Yet instead of that we have the federal Government moving unilaterally with this legislation. I know Members opposite call it consultation, but this was done at the end of the federal-provincial conference and there was a straight statement by the Minister of Finance (Mr. Wilson) that the federal Government was going to start immediately to reduce the rate of increase of federal contributions. Cuts, decrease in the increase, or reduction in growth, whatever term you use it is one and the same thing, a substantial amount of money is being unilaterally chopped from the provinces.

As has been said many times, there are some provinces which may not be hurt that badly. Alberta, Saskatchewan, British Columbia and Ontario will notice the cuts, but they probably have the resources to compensate to some extent. However, many other provinces such as Prince Edward Island and Newfoundland have no way to raise the extra money they need to improve the quality of their health services or education, much less hold it at the present level. If you do not get the money you are expecting, you are bound to have to cut the quality of services.

In some ways what we have here is a matter of priorities. The future cost of medicare and higher education is being fixed at a level lower than that of the oil companies, investors, banks, and even the cost of new uniforms for the military. Those are the kinds of things the Government has made its priorities. In the next five years the Department of Defence will see, according to the budget papers, a 41 per cent increase in its budget, but health will receive only a 14 per cent increase. That seems to be the priority of this Government.

• (1720)

As I said before, it is not only the fact that they are getting less money, it has a domino effect on all of the services within the province. The Government is generating new funds by taxation by introducing sales tax and increasing the costs of access to the national parks; the cost of shipping, if Bill C-75, the Canada Shipping Act is passed; and the costs of inspection in agriculture and so on. These are new sources of revenue that the Government is tapping.

It is going to bring in, through these new sources of revenue—if we can believe the Minister of Finance's papers—over \$35 billion per year by 1990-91. Only \$1 billion of this, or 3 per cent, has been allocated for that sacred trust of health care and higher education.

As the Government increased the taxes by \$35 billion it decided that only 3 per cent is going to go to health care and higher education. That is an indication of the priorities established by this Government.

What we are witnessing is the back door method of killing medicare and of reducing access to education to the point where some day down the road we will have a situation where medicare and higher education will be for the privileged in society only.

Tommy Douglas, when he spoke about the development of medicare in Saskatchewan, and many people, even in this House, who spoke of the development of medicare across the country, had a dream that no person in Canada would feel that they had to deny themselves medical treatment because of the cost. That has been an accepted principle by the people of Canada. What this Government is doing in this Bill is breaching that trust. The doctors themselves, who should be protecting medicare, who are out there fighting for extra billing, are breaching that trust as well. This Government is reducing the expected possibility that some day there will be no need to deny medical treatment to anyone because of cost.

If this Government expected, or felt that it had the responsibility, to ensure that medical treatment was available for everybody and that there was quality higher education for anyone who could use it and wanted it, then the Government would be moving in that direction instead of cutting off funds.

It is very important that we make sure that Canada does not become, like many other countries of the world, a place where health care and higher education is for the privileged few.

It is not surprising that in committee stage of this Bill the only organization that endorsed this Bill was the Canadian Chamber of Commerce. Only two provinces made presentations to the committee. New Brunswick sent a written brief opposing the Bill, and its Government passed a unanimous resolution urging the Government not to go ahead with the legislation. Manitoba appeared in person by sending its Health and Education Ministers to present their case and their opposition to Bill C-96.