

Federal-Provincial Fiscal Arrangements Act

What is paid for? The cost of research, the cost of salaries and the cost of overhead. Research is not dependent upon state funding. That is not the situation in Canada. Here, the universities are not only suffering from the inadequacies of the operating funds that are provided to them by the provinces in concert with the federal Government through EPF, they also have to pay for the overhead costs for what research funds are provided, almost dollar-for-dollar.

Hon. Members have probably heard of the professor who has now left the University of Waterloo because he needed something in excess of \$100,000 *per annum* for research. A \$100,000 research grant in the United States is an average grant; it is not one that is regarded as being particularly noteworthy. As far as research institutions are concerned, our universities are undoubtedly second-rate, on average. This is not to suggest that we do not have first-rate scholars. We have a great many first rate scholars struggling under second and third-rate conditions, and the two together lead to a clear result.

● (1230)

[Translation]

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, I also want to take part in the debate on Bill C-96 to speak about the main problems raised by the provinces and those who appeared before the legislative committee, and to quote some of their comments. These groups maintained that the federal Government should not be reducing its financial contribution to post-secondary education at a time when major technological changes are occurring in Canada and young people need more training to face the challenge of the future.

Mr. Speaker, the Right Hon. Prime Minister (Mr. Mulroney) will address the country this evening to explain the importance of free trade with the United States. At the same time, today, we are debating legislation to reduce provincial transfers to support post-secondary education and finance research in our universities.

How can the Prime Minister succeed this evening in convincing Canadians that free trade will be beneficial at the very moment when he is cutting back on the means to allow Canadians to become competitive, to finance research, to continue their studies and to support our high technology programs?

Once more, Mr. Speaker, we are faced with the operational procedure of the Conservative Government, which is to say one thing and to do another.

These groups which appeared before the Legislative Committee on Bill C-96 also asked the federal Government not to reduce its contribution to health care financing at a time when the proportion of older Canadians is increasing and new and very costly medical equipment is coming on the market.

Mr. Speaker, everyone is concerned about the fact that there will be more and more older people in the future. Yet, the

Government is reducing provincial transfers which would help us to face this problem which will affect all of us eventually.

You are certainly aware, Mr. Speaker, of the problems Quebec hospitals are having, of our over-extended emergency services, of the debate which is going on everyday in the provinces and of the problem that we are having in providing the necessary medical services to the population.

Yet, the Government is trying to reduce its financing. How can the Quebec Government solve the urgent problems facing its hospitals and outpatient clinics if the federal Government takes away \$66 million?

Those groups that appeared before the Legislative Committee also said the federal Government should have allowed the normal five year period to lapse before announcing changes to the agreements. Again, Mr. Speaker, this was yet another one of the 300-plus promises made by the Progressive Conservative Party during the last election, when they were committed to opening up the dialogue with the provinces. They assured all Canadians that there would be consultation and co-operation with the provinces. But what we have now is exactly the opposite. They did not abide by the normal five years period before announcing changes to the federal-provincial agreements, and they are making very major cuts.

Mr. Speaker, those groups also wondered whether the federal Government should not review its policies. On the one hand, it compensates the uninsured depositors of the banks that went bankrupt, it removes the tax on capital gains, it phases out the oil and gas tax in the producing provinces, it increases deductions under registered retirement savings plans, and finally it reduces payments for health care and post-secondary education.

Mr. Speaker, if the federal Government's exercise is only to roll back the deficit, why should that group of people who are the most in need pay more, why should that group of people who do not need them get all the benefits and deductions? There is the question. What we have been consistently saying on this side of the House, in the Official Opposition, is that we have facing us a Government that is taking from the poor in order to give to the rich. This is what everything boils down to, Mr. Speaker. They gave close to \$2 billion to people who had deposited \$60,000 or more in those banks, those two Western banks which went bankrupt. What were at stake there were no small savings, Mr. Speaker. People who had those deposits very well knew they were doing it because of the higher interest rates they were getting, and those were not standard interest rates. They very well knew that was very risky.

How many people now, in the past and in the future will invest in a small businesses? That is a high risk venture. The Minister of State (Small business) (Mr. Bissonnette) even said only 20 per cent manage to stay afloat.

Will those people who invested in small businesses be compensated if they lose their money? No, Mr. Speaker. They will not be compensated. There is no legislation that provides for it. But there was no legislation either that provided for