

Established Programs Financing

education they are not even spending all of the money they are getting under the Fiscal Arrangements Act.

Ms. Jewett: Why did you go into block funding?

Mr. Breau: The Member asks why we did it. I only have 10 minutes and that is a long story.

Ms. Jewett: An interesting one too.

Mr. Breau: The Hon. Member is an experienced Member and was here when the first post-secondary education cost-sharing programs came about in the mid-sixties. At that time she had a little more sense and was on this side of the House.

Ms. Jewett: In the mid-sixties? You have your dates all wrong.

Mr. Breau: In the mid-sixties, that is what I said. That is when the first post-secondary education fiscal arrangement was worked out.

Ms. Jewett: No, no. 1957 and 1958.

Mr. Breau: It was not fiscal arrangements at the time, it was something else. I am talking about fiscal arrangements.

The reason we went to block funding, Mr. Speaker, is that the provinces and the federal Government realized that there was no other way to go once the programs had been developed than to a system where the provinces would have the flexibility to administer these programs in health and in post-secondary education as they saw fit. In health we have a history which has been accepted in the country that the federal Government, when it passed the Medical Care Act and the Hospital and Diagnostic Services Act, could impose conditions. In post-secondary education it has become sacrilege even to talk about imposing conditions. I am frustrated by this. I am sure all federal parliamentarians are.

Since 1977, and even prior to this, the provinces have refused to set up with the federal Government some kind of mechanism through which we would make sure that post-secondary education investments which the taxpayers are making would go to meet the needs of the economy. It certainly is an important responsibility of the federal Government to make sure that our educational investments go, in part at least, to meet the needs of the economy. I do not suggest it should be only for that. We should encourage a society which gives as much opportunity as makes sense to young people to study in the field in which they wish to study. If it happens to be in a field for which there is no demand in the economy now, I am not sure that we should discourage it.

In conclusion, Mr. Speaker, there is one other fact that particularly the Members of the Conservative Party have ignored when they criticize the federal Government for eliminating compensation for the revenue guarantee. In 1982 there was a deal made between the Government of Canada and some of the Premiers of the Atlantic provinces. At the time we were told they all agreed with it. They received a special payment, called the population recovery adjustment payment,

which they were to pay back in 1982-83 because they had been overpaid according to the census figures we had before 1981. After adjustment of the census of 1981 the four Atlantic provinces alone would have had to pay back to the Government of Canada a total of \$190 million. In the Fiscal Arrangements Act of 1982 the Government instituted the population recovery adjustment payment which meant that Newfoundland received \$28.7 million plus \$41.5 million for the fiscal years 1980-81 and 1981-82. Prince Edward Island received \$3.4 million plus \$5 million. Nova Scotia received \$20.1 million plus \$28.9 million. New Brunswick received \$25.3 million plus \$36.4 million. Members of the Opposition are forgetting that these additional equalization payments, totally unconditional, are way beyond what the four Atlantic provinces lost because of the elimination of the compensation for the revenue guarantee. No adjustments and no cuts have been made to the payments of the Government of Canada under the fiscal arrangements to the four Atlantic provinces.

● (1150)

Mr. Jim Hawkes (Calgary West): Mr. Speaker, I would like to start with a comment or two on what the previous speaker said. The Hon. Member for Gloucester (Mr. Breau) brought up the issue of accountability. I suggest to the Hon. Member that parliamentary tradition indicates that it is the back-benchers who hold the Cabinet accountable and it is the back-benchers who fail to hold the Cabinet accountable. In the brief time I have been in this House, through the last couple of years we have seen Coalgate, a \$200 million budget leak, the deliberate putting into the public domain of the letters of the Leader of the Opposition (Mr. Mulroney) to the Finance Minister, and today we see the mess in Revenue Canada. I suggest to Liberal Members opposite that if they mean anything by what they say and if they believe that accountability is a principle important to this House, then they have been derelict in their duty and in their obligation to their electors by not holding Cabinet accountable at any time or in any way when it should have been held accountable.

Some Hon. Members: Hear, hear!

Mr. Hawkes: The Hon. Member for Gloucester also mentioned that the Constitution takes the federal presence out of that sense of responsibility. May I suggest to him that the federal Government does have a constitutional responsibility for manpower development in this country and that the provinces gave the federal Government that responsibility.

I look today at the unemployment insurance fund. We are spending well over \$10 billion in assistance and we allow about 1 per cent of those people to be involved in some kind of educational process. May I suggest that is in the public domain, in the hands of the federal Government, in the hands of this Parliament, and we should do something about that expenditure so as to make it more productive for people.

Let me come to Bill C-12. In my short time in this Parliament there have been several reports that speak to the issue of Bill C-12. The latest is the 1984 report of the Commission on