

Federal-Provincial Fiscal Arrangements

Chamber at that time about the nasty, arrogant, regionally and federally insensitive, Liberal Government which would even consider imposing anything unilaterally upon the provinces.

However, what have we seen since 1984? We have seen the Conservative Government continuing in that tradition. I remember only too well that it was after the September, 1984 election that I wrote to the Minister of National Health and Welfare (Mr. Epp) and reminded him of when we sat together on the committee which dealt with Bill C-97, if my memory serves me correctly, that unilaterally imposed new fiscal arrangements upon the provinces and implemented the six and five reduction. Oh, what a howl there was from the then Hon. Member for Provencher about the unacceptability of unilateral action.

However, ever since the election of the Conservatives we have seen one unilateral action after another. Today, in their refusal to consider the amendment, they have not only said that unilateral action and unilateral attitude are being preserved but that they are to be preserved for at least the next five years, which could well be three years beyond the mandate of the Government.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I rise to participate in a very brief way in this debate.

It was in the 1930s that a royal commission looked into the problems of Canada, the problems of the provinces, in meeting in a financial way the needs of their people. It was agreed—and indeed it is defined in the Constitution—that the purpose of these programs was to ensure that provincial Governments had sufficient revenues to provide reasonably comparable levels of service at reasonably comparable levels of taxation.

Right after World War II it was accepted by all Parties, indeed by all Canadians, that the federal Government had a responsibility to try to ensure that all provinces and the territories would be in the position to provide basic services—post-secondary education, hospital care, and medical care—so that all Canadians were treated in a reasonable and equal way regardless of where they lived.

Over the years we have developed a great number of programs in areas where the federal Government financially helped the provinces, particularly the have-not provinces—Newfoundland, Prince Edward Island, Nova Scotia, New Brunswick, Quebec, Manitoba, and Saskatchewan—to meet the costs of providing basic services to the people living in those provinces. We developed a hospital insurance plan where the federal Government said to the provinces that if they developed a universal health insurance plan it would pay half the cost. In the case of the have-not provinces, the Government said it would pay even more than half the cost. The Government also said that when the provinces had developed medical insurance plans, it would pay half the cost of those plans.

● (1640)

Realizing the importance of education, and particularly of post-secondary education, the federal Government agreed to

pay 50 per cent of the cost of post-secondary education, particularly in universities. Those plans were developed over many years, but beginning in the 1970s the then Liberal Government realized that revenues were not growing as quickly as the costs of these programs. The Liberal Government began to change the programs. We saw the end of the Government funding 50 per cent or more of the costs of hospital insurance, medical insurance and post-secondary education. As well, the Liberal Government put a ceiling on increases in the Established Program Financing formulae.

Many of the provinces expressed their opposition to these changes made by the Liberal Government. Many of the provinces, and particularly the have-not provinces of Atlantic Canada, Quebec, Manitoba and Saskatchewan, did not have the ability to maintain and improve health care and post-secondary education services on their own. Their ability to raise the necessary funds through income taxes or any other form of taxes or fees for services would not permit them to continue to fund these services.

Besides the changes made in the EPF funding to which I have referred, we also saw over the years changes in the equalization payments. These were payments to provinces made by the federal Government designed to help the have-not provinces fund these programs which we as Canadians believed to be fundamental rights. We realized that only with federal government assistance could these programs be continued at an adequate level.

Again, the then Liberal Government decided to put a cap on transfer payments to the provinces. After the Conservative Government was elected, it accelerated the reduction of assistance given by the federal Government to the have-not provinces. It did so by changing the EPF funding and now it is proposing to cut back on the funding given to the have-not provinces through equalization payments.

The Hon. Member for Western Arctic (Mr. Nickerson) is so quick to defend everything his Conservative Government does. On listening to him, one would think that the opposition to this Bill was being brought forward simply for partisan, political purposes. In fact, every one of the have-not provinces has protested this unilateral decision made by the Government. The Provinces of Nova Scotia and Newfoundland, both of which have Conservative Governments, have made very clear their real opposition to this Bill. These are provinces which are in very great financial difficulty. The Province of Quebec, which now has a Liberal Government, has objected to the unilateral decision of the federal Government. The Province of Manitoba, which has an NDP Government, has objected as well.

It is not only Governments that have objected. I would like to bring to the attention of Members of the House the objections to this Bill of two very important organizations. The Canadian Teachers' Federation has argued that this change will affect very adversely and seriously the ability of the have-not provinces to provide adequate education. The Canadian Medical Association has said that as a result of this decision,