

*Federal-Provincial Fiscal Arrangements Act*

might have been latent prior to coverage. Diseases such as cancer and heart disease, which are usually attributed to lifestyle, or stress on the job, cannot be covered by this insurance, and these diseases are among the most costly to treat.

Members who have travelled abroad know that if you do get sick abroad you come home singing the praises of Canada's health care. While the American health care might be excellent, fees for it are so high that 30 million Americans—and 30 million is the population of Canada—do not have any health insurance whatsoever, and that system spends 10 per cent of its Gross National Product on health care. For 30 million people it is cash on the barrel head if they want medical care, and if you visit the States and get sick, it is cash on the barrel head for you, too.

Surprisingly, the Nielsen task force takes an opposite view to that of the Government. It suggests that we should be very careful of any policy of profit on health administration. The task force reviewed the cuts already made between 1982 and 1986 which totalled \$6 billion for health care and higher education. It identified the declining role of the federal Government, showing a 40 per cent share loss in the 1985-86 period. The Nielsen task force projects that expenditure requirements for the next few years will increase by 4 per cent and 5 per cent above inflation, and 1 per cent to 2 per cent above the growth of the GNP. We are not keeping up with inflation yet costs will increase by 4 per cent. A reduction of 2 per cent below the growth of the economy is to take place, putting us 6 per cent below the actual increases in costs, reducing the quality of services in health care and education.

**The Acting Speaker (Mr. Paproski):** Order, please. I regret that I must advise that the Hon. Member's time has expired.

[Translation]

**Mr. David Berger (Laurier):** Mr. Speaker, the purpose of the Bill now under consideration is to reduce the federal Government's post-secondary education contributions by 2 per cent as of April 1, 1986. The Conservative Government wants to withhold over \$8 billion from the provinces over the next five years. As indicated in the Quebec Government Budget tabled last week, this cut-back will cost more than \$2 billion to Quebec alone. As a result the province had no choice but to slap a surtax on corporate profits to offset this shortfall.

[English]

This Bill, as I said in my comments last week, represents what is really a total abdication of federal responsibilities in the area of post-secondary education. The Conservative Government is washing its hands of post-secondary education in Canada. To understand this situation, you have to go back to 1977 when the Government, after negotiations with the provinces, introduced the system of unconditional grants which still exists to this day. These unconditional grants have led to a crisis today in higher education about which this Government has nothing to say. The federal Government at that time committed itself to yearly increases in transfers to the

provinces regardless of what the provinces did to support universities and colleges. These grants were unconditional. In other words, there was no requirement on the provinces that the money which the federal Government gave to them for education and health had to be actually spent on education and health. We know that many of the provinces spent this money in other areas, on roads or other provincial priorities. While federal transfers have increased over the course of the last seven to eight years, the money that actually gets to the colleges and universities has gone down. It has not kept pace with inflation.

As a matter of fact, funding for universities and colleges has gone up by only 2.5 per cent in real terms since 1977-78, yet the number of students attending universities and colleges has gone up 27 per cent in the case of universities and 36 per cent in the case of colleges. With funding stable and enrolment increasing dramatically, it is no wonder that the quality of teaching has gone down. There are more students per teacher, there is a shortage of equipment, and universities cannot hire the best faculty. Our country as a whole is suffering.

The previous Government appointed a commission headed by Al Johnson to study this whole question. Mr. Johnson recommended that federal transfers for post-secondary education be increased at the same rate at which the provinces increase their operating grants to universities and colleges. He wanted to introduce an incentive to ensure that the provinces would increase their contributions as the federal Government increased its contributions. The provinces did not support this recommendation. The Conservative Government's answer is to cut spending. The Government's rationale may be that since the provinces have been using the money given to them for education for other purposes, if it cuts the transfer payments the provinces will be forced to spend the funds on education rather than on the other, less important things which they have been spending them on in the past. By simply cutting funding, the Conservative Government has nothing to say about post-secondary education in Canada.

• (1230)

This is made very evident in the report tabled by the Secretary of State (Mr. Bouchard) last month in which he refers to Canada's educational goals. He refers to the fact that constitutional responsibility for education lies with the provincial Governments. He says that it is to the provincial Governments that one should turn first for a statement of goals and objectives related to the public support of post-secondary education. Who does one turn to for the federal goals? What does the federal Government have to say about the quality of post-secondary education? What do members of the Conservative Party have to say about the problem with post-secondary education? What solutions do they have?

The Minister of State for Science and Technology (Mr. Oberle) is here. This is one of his responsibilities. What does he have to say about it? What does the Member for London East (Mr. Jepson) who is sitting here to my right, have to say