

*Federal-Provincial fiscal arrangements*

Mr. Speaker, we were saying that Bill C-96 is affecting the financing of health and postsecondary programs and the Provinces will be hurt by this Bill, since the tax burden will be transferred to them.

Mr. Speaker, the reason why I am speaking at length on the positions of service and professional groups as well as on the positions of the Provinces is that the Government has told us on many occasions that lengthy consultations had been held with the Provinces on Bill C-96. Members on the Government side told us a number of times that Bill C-96 had been the subject of lengthy consultations with the provinces.

Mr. Speaker, I do not know what transpired during these consultations, but it so happens that all our documentation indicates that the provinces were all opposed to Bill C-96 because of the unilateral manner in which it was presented and introduced.

We have seen what the province of Manitoba told us. And here is what the province of New Brunswick tells us, not just through its Government but in a motion adopted unanimously by the New Brunswick legislature, a motion presented by the Leader of the Liberal Party in that province, Mr. McKenna, but nevertheless adopted by the entire legislature, which means adopted by the Conservative majority existing today in New Brunswick.

The motion says: "Whereas the Government of Canada has announced that the growth rate of equalization payments made under the Established Programs Financing Act will be reduced starting in 1986; whereas this reduction in the growth rate will cost New Brunswick \$9 million this year and an estimated total of \$160 million by 1990-91; whereas New Brunswick lacks the economic resources to absorb such a loss; Resolved, that the Legislative Assembly of New Brunswick shall ask the Government of Canada to reconsider its unilateral decision and restore Established Programs Financing to the level agreed upon in 1982; and that the Legislative Assembly of New Brunswick shall ask the Government to start negotiations with the provinces aimed at reaching an agreement on the level of financing to be provided under the Established Programs Financing Act for the years 1987-1988 and following."

Mr. Speaker, this is a very clear statement made not just by the Government of New Brunswick but by the entire legislature of New Brunswick, by all the parties represented therein. It is a resolution that clearly says this was a unilateral decision by the federal Government. And it directly contradicts what has been said by many Members of the majority party in this House. They would have us believe that there were consultations, and they even implied that although the decision was made by the Minister of Finance, it was practically with the consent of the provinces.

Mr. Speaker, there are other provinces that announced their decision and expressed their reactions to Bill C-96. For instance, Ontario, whose Premier said, and I quote:

• (1630)

[English]

"This reduction in funds provided the provinces will translate into a reduction in services. There will be fewer hospital beds". The Premier of Ontario said it will affect the quality of post-secondary education and health care services. The Treasurer of Ontario said the same thing.

[Translation]

Mr. Speaker, the province of Quebec, in a paper presented at a conference of Finance Ministers, and also through comments made publicly by the Quebec Minister of Finance, Gérard D. Lévesque, said it was unfair to the provinces and that it was an additional tax burden that was being transferred to them.

Mr. Speaker, Nova Scotia, through its Minister of Finance, clearly indicated it was against Bill C-96. Remember, this comes not from a Liberal, but from a Conservative Minister.

If we look at Manitoba, with a New Democratic majority, Nova Scotia with a Conservative majority, New Brunswick with a Conservative Government, Quebec with a Liberal Government and Ontario with a Liberal Government, we see that irrespective of their political stripe, the provincial Governments are unanimous in saying that Bill C-96 will affect the quality of the services in question and that they object to reopening negotiations on fiscal arrangements between Canada and the provinces before the expiry of these arrangements on March 31, 1987. Therefore the central Government is unilaterally breaking a contract with the provinces.

Mr. Speaker, quite a number of statements have been made in the course of this debate which is now in the last stage, and among other things, either directly or indirectly, either knowingly or unknowingly, it has been suggested that health care costs—coming under a public and universal system as they do—are very high, so much so that they compromise Canada's economic ability to compete.

Mr. Speaker, I want to quote somebody else because I made the same kind of suggestions in earlier debates, so if you will allow me I will repeat the statement made before the committee by Manitoba Health Minister Desjardins, as follows:

[English]

The suggestion that reductions can be made to transfer payments in support of health and higher education services must be viewed within the context of the hardship that will be faced by provincial citizens and the success which this country has achieved providing universal health care when compared to our neighbour to the south.

In the early 1980s, Canada was spending approximately 7.9 per cent of its Gross National Product to support health services. During this period of time the United States was spending approximately 10 per cent of its Gross National Product on health services. This at a time when approximately 35 million people were without health benefits. When we compare ourselves to the United States, Canada has achieved a remarkable level of success and it has done so primarily by the leadership and control that is inherent in the provincial funding structure.