

Federal-Provincial Fiscal Arrangements Act

strategy. The Canadian Teachers' Federation, the Canadian Association of University Teachers, the Association of Universities and Colleges of Canada, all of these organizations, and eminent academics across the country have been saying over the past year in specialized journals, and in the press as well, that this sort of thing must happen if we are going to compete as a country in the world community. That is the point we have to make today.

We are resource rich in Canada, but the greatest resource of all is our young people. Yet the Senate Report on Youth tells us that they are in danger of being a lost generation. Is the 20th century really going to belong to Canada as Sir Wilfrid Laurier said? Are we really one of the top five countries in the world? We are trying to break into that select circle. Can we really become one of the top five countries when we are not giving the same kind of prominence to education as those other countries? Are we coming of age internationally? Are we discovering who we are by throwing off our sense of the past and competing head to head with other countries?

• (1130)

When we compare our education system to that of West Germany, we see that there is a great difference. When we compare our economy to that of Japan and then ask how our education system compares to that of Japan, there is a great difference. Those are the kinds of questions we should be debating rather than talking about cut-backs in post-secondary education and health.

I wanted to use this opportunity to focus on what I think should be a number one priority in this country. We must have a national strategy for education that includes greater co-ordination. The co-ordination of that national strategy requires adequate funding. There is no more important area in this country that should receive adequate funding than the field of education. It is the greatest challenge facing us, and if we fail to deal with it we will put the nation at risk.

Mr. Rod Murphy (Churchill): Mr. Speaker, as the spokesperson for the New Democratic Party, I wish to speak against this Bill. In doing so, I want to point out that this Bill is a repeat performance of what was introduced by the Liberals in the 1981-82 period. At that time, the former Government moved to reduce funding to the provinces for medicare and post-secondary education. That Liberal measure was opposed, not only by the New Democratic Party caucus but by the Conservative Opposition as well.

Among those Conservative Members who said this move was a betrayal of Confederation and proof that co-operative federalism was dying, and a unilateral action that should not have been taken, were the Minister of Finance (Mr. Wilson), the Minister of National Health and Welfare (Mr. Epp), and the Minister of Employment and Immigration (Miss Macdonald). Those Conservative Members, when in Opposition, attacked the Liberals for doing exactly what the Conservatives are doing today.

I am sure all Members agree that there is nothing more important than ensuring equal access to medical and educational services right across the country. Not only is it a gift to our youth, it is fundamental to our future. We must provide, as much as possible, access to adequate post-secondary educational services so that a person growing up in Halifax or Corner Brook has the same opportunity for a decent education as someone who grows up in Toronto or other affluent parts of this nation. That will not happen with this legislation.

The level of funding for medicare services will be reduced, despite the fact that studies indicate that the cost of medical services will increase by a rate in excess of the growth in Gross National Product. The Government will only increase its contribution to the provinces for medicare and post-secondary education by a rate which is 2 per cent less than the growth of the Gross National Product. Such a built-in failure to our medicare system is a back-door approach to destroying universality in this country.

I have already stated that the actual cost of medicare is increasing at a greater rate than the growth in the Gross National Product. In addition, we know that the age of our population is increasing, which means that the cost of providing medical services in this country will increase. Furthermore, people are healthier and living longer as a result of the development of new technologies. Indeed, this is a further cost.

The Government, which opposed the Liberal move to cut or reduce funding for post-secondary education and medicare, is not only not matching but further reducing the funding from the amount to which it was reduced by the Liberals in 1981-82.

When the Conservatives introduced this legislation late Friday afternoon, the Parliamentary Secretary to the Secretary of State of Canada (Mr. Scott), who introduced the legislation in the absence of the Minister, said, as reported at page 12666 of *Hansard*:

It follows a long process of consultation with the provinces over the past year or more which has involved both the Minister of Finance (Mr. Wilson) and the Prime Minister (Mr. Mulroney).

Let us consider what type of consultation really took place. In the May 23 Budget, without any forewarning to the provinces, the Minister of Finance rose in the House and indicated that he wanted to reduce the level of funding for post-secondary education and medicare in established programs financing by \$2 billion per year by 1990-91. To be fair, the actual amount of money coming from the federal Government to the provinces will increase. According to the present legislation, the provinces would receive \$2 billion more per year by 1990-91 for medicare and post-secondary education than they receive under this Bill. This measure was implemented without any consultation. However, four months later, at the end of a meeting with the provincial ministers of finance in Halifax, the Minister of Finance indicated that those cut-backs will not begin in 1987, when the present legislation expires, but on April 1, 1986. There was no consultation, just an announcement by the Minister of Finance at the end of a