Established Programs Financing

I have hardly received more than six letters from young farmers who are saying they were unable to obtain a student loan. That says something in itself because it is based on how much one is earning. If a farmer is not earning any money, the daughter or son can obtain a student loan if they are not in that earning bracket. I do know of some young farmers who have been able to obtain student loans. I know a lot of others who work in the summer time to earn their way and do not want to have that kind of encumbrance as far as a student loan is concerned.

For instance, if there had been student loans when I grew up maybe you would not be so critical of the language I use in the House of Commons and I might have got a better education!

Mr. McCain: Mr. Speaker, I rise on a point of order. I do not think the Minister of Agriculture (Mr. Whelan) wants to mislead the people of Canada. I have had personal experience—

Mr. Deputy Speaker: The point of order must relate to procedure, not debate. If the Hon. Member is commenting on the Minister's remarks—

Mr. McCain: Accuracy.

Mr. Deputy Speaker: Points of order must relate to procedure in the House. If the procedure we are now following is correct, I do not believe the Hon. Member has a point of order. He is relating his remarks to debate but I will hear him out for a few more seconds.

Mr. McCain: Mr. Speaker, I have had personal interviews with farm children whose fathers had assets exceeding the guideline for student loans. They could not get them even though they showed a serious loss in the year of the application.

Mr. Deputy Speaker: I must inform the Hon. Member that that is very much debate.

Mr. McCain: But it is true.

Mr. Deputy Speaker: Points of order should not be abused in that fashion. Debate.

Mr. Charles Mayer (Portage-Marquette): Mr. Speaker, this has been a very interesting afternoon. As well, this is a very important piece of legislation. Bill C-12 is an Act to amend the Federal-Provincial Fiscal Arrangements and Established Programs Financing Act of 1977. I do not object to reviewing periodically financial arrangements between two levels of government and that is what this Bill essentially does.

I think this Bill is important for another reason. It can provide us with an indication of the Government's intentions and priorities with respect to the country. Thus, it shows us in what direction the Government sees our great country, with its great potential, taking in the next number of years.

● (1740)

What it does, as I understand the Bill, and I want to quote from Clause 7 which is the formula by which transfer payments are going to be made, is essentially imposing the six and five guidelines on funding, 6 per cent on the 1983-84 fiscal year and 5 per cent on the 1984-85 fiscal year. There is nothing wrong with reviewing financial arrangements periodically. As time goes on, we have inflation and many other factors and things change, so I think rightfully you should have a chance to review such arrangements.

Everyone talks about cutbacks. Somehow those words do not sit right with me. Cutback simply implies something bad, something negative. If you cut something or move backwards, you are moving in the wrong direction. Again, we need to look more at the intent of this Bill rather than at the amount of dollars involved. The amount, however, is rather substantial. It is roughly $360 million over the next two fiscal years.

Not only does this Bill cut back the number of dollars to be transferred from the senior level of Government to the provinces, but it also lowers the base upon which future payments are going to be made. The number of dollars involved is substantially more than $360 million. It is a figure I do not think anybody really knows but it is extremely large.

I have difficulty with Clause 7 of the Bill. I want to read briefly from it in order to point out how complicated this formula is. It reminds me of what we had in Bill C-155 which was before us in the last session. We had a freight rate formula in that Bill which was something like this. Clause 7 in part reads:

(2) For the purposes of paragraphs 19(1)(*b*), 21(1)(*e*) and 27(3)(*b*), the escalator for a fiscal year is the cube root of a fraction of which

(*a*) the numerator is the per capita gross national product for the calendar year ending immediately preceding the calendar year ending in the fiscal year; and

(*b*) the denominator is the per capita gross national product for the fourth calendar year immediately preceding the calendar year ending in the fiscal year.

(3) For the purposes of paragraph 19(2)(*b*),

(*a*) the escalator for a fiscal year that ends before April 1, 1983 or begins after March 31, 1985 is the cube root of a fraction of which

(i) the numerator is the per capita gross national product for the calendar year ending immediately preceding the calendar year ending in the fiscal year, and

(ii) the denominator is the per capita gross national product for the fourth calendar year immediately preceding the calendar year ending in the fiscal year;

(*b*) the escalator for the fiscal year beginning on April 1, 1983 is the lesser of

(i) 1.06, and

(ii) the cube root of a fraction of—

And so it goes on. There is another whole page. One can see how very complicated this financial formula is. I guess you could make the argument, Mr. Speaker, rather facetiously that if this is the kind of law by which we are going to have to live, we need to have more people in institutions of higher learning so they can better understand this gobbledygook which shows up in the Bill as a formula by which transfer payments are to be made. That simply makes the point, at least in my mind, that we have become very complex and complicated in Canada, and in many cases needlessly so.