neither is subordinate to the other. They emphasized the very important statements that nowhere is there a need for co-operation between the two orders of government more pressing than in the area of public finance.

We do not solve the problem of budgetary deficits with the manner of service that is provided in health care and education by fighting with one another as to who is going to spend the dollars in order to provide the service. That is why this Bill so obviously should not be supported. It is a unilateral declaration by the federal Government, not a negotiated position as was the original plan in 1975-76 to establish the financing for health care and education. They have the right to do this on their own legally. Even though the Act is not yet passed, it is deemed to have happened in April, 1983. It is obvious that the Government is concerned about this. The push now is on Parliament to pass this Bill.

The parliamentary task force made a very important recommendation that federal expenditures associated with post-secondary education be transferred from the social affairs envelope to the economic development envelope. Why would they say that? It is obvious that in order to fuel our economic development in the future, the only way is to train competent, capable technicians and well-educated scientists.

We have to put that in place today to meet the demands of the high-tech world of the future. If not, we will be left behind. We will not have the research or technical capacity ot meet the demands of the world. As I said beforem it will be impossible to fund people's demands.

Let us look at the whole area of shared funding. Since fiscal 1979-80, the federal share of funding for health and post-secondary education decreased from a high of 50 per cent of total expenditures at the provincial level to 42.4 per cent in the 1982-83 fiscal year. In real dollar terms the federal contribution has risen from $9.3 billion to $12.1 billion, even giving credit to the federal Government for the two tax points it transferred to the provincial Government. There may be a legitimate argument about who really owns those two tax points but let us credit them to the federal Government. That shows that the federal contribution has risen from $9.3 billion to $12.1 billion while at the same time the capital and operating expenditures of the provinces have risen from $18 billion to $28.6 billion. We could say that some of the $3 billion increase has been siphoned off and put into highways or other things. That simply cannot be the case when it is realized that the expenditures of the provinces have increased by $10.1 billion. That argument is just not logical. It is no wonder the federal task force could not find evidence of that but instead found evidence that the increase in health care costs was much more rapid than that in post-secondary education and that perhaps there was some movement of funds into health care. That was because of a desperate need in some provinces, particularly in the Maritimes, which were having difficulty finding funds for their provincial budgets.

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If we disregard the tax points collected by the provinces under the tax-sharing agreement, we find that in their view the actual cash contribution of the federal Government has only risen from $5 billion to $6 billion since the 1979-80 fiscal year. In real dollars that represents a decline of 6 per cent in the total federal contribution from 27 per cent to 21.3 per cent. It is interesting to see what this represents in real purchasing power.

We all know what has happened to our dollar since 1968 because of inflation. In 1968 terms, a dollar is worth only 34 cents today. When this agreement was negotiated, a 1968 dollar was worth 56 cents. It must be realized that this extra contribution of money does not give the provincial governments any additional purchasing power. It is no wonder they are having serious trouble maintaining their libraries, equipment, buildings and universities when they are faced with this inflation. All governments are responsible for that and so it is good to see that we are getting inflation under control at the present time.

The federal contribution to post-secondary education has remained at about the 50 per cent level compared with the total expenditures by the provinces. There is a problem with the transfer as far as health care costs are concerned, however. The level has not been maintained. In fact, that amount which used to be close to 50 per cent—about 47.8 per cent of the provincial budgets that went to health care—has now dropped to just under 40 per cent. That is why this Bill, which would take action strictly on behalf of the federal Government, does not solve the serious problem of funding for health care and making sure that young Canadians can seek a very prosperous future.

The federal Government should be looking for ways to put some certainty into this system instead of sloughing off the burden to the provinces. In 1977, when the agreement was signed, the Prime Minister (Mr. Trudeau) said that one of the best things about it was that it put certainty into the system; the provinces knew the amount of cash they would get to cover health and post-secondary education costs and the federal Government knew how much it had to provide. What we are doing now is simply putting this back into the pre-1976 era where there was no certainty.

Another provision in the agreement was that it would increase the contribution equal to the percentage increase in the Gross National Product. That was of some concern originally because our economy was growing rapidly. The slow growth in our economy today has caused federal transfers to be even more restricted under the formula of the GNP escalator. Figures available in my province show that costs for education and health are raising very serious problems in this recession and, hopefully, the post-recession period in which we now find ourselves.

The federal Government support of funding, which used to be around 50 per cent, is decreasing. If the transfers were to stay even with the original agreement, they would be about $2.3 billion lower than they ought to be. There is no doubt that