

*Oral Questions***EMPLOYMENT****DURATION OF JOB-CREATION PROJECTS**

**Mr. W. C. Scott (Victoria-Haliburton):** Madam Speaker, my question is directed to the Minister of Employment and Immigration. The job creation program set up by Section 38 of the Unemployment Insurance Act has been of great assistance, but I am told that although these projects have a maximum of 52-weeks duration they will all terminate on March 31.

Could the Minister tell me why this is so and how many individual agreements were originally scheduled to extend beyond that date? Also, would the Minister consider extending those projects which have not completed their mandate? If not, would he consider an automatic referral of existing projects for approval for a further 52 weeks?

**Hon. Lloyd Axworthy (Minister of Employment and Immigration):** Madam Speaker, I am very pleased that the Hon. Member has found the Section 38 job creation program to be helpful in his region. Over 15,000 jobs have been created under that program.

I am not sure where the Hon. Member's information comes from concerning the termination of the program. There is no plan to terminate it. In fact we are continuing to sign new agreements. The program will continue according to whatever terms are arrived at with the individual employers sponsoring the projects. I should like to correct the Hon. Member's impression; we are not planning to terminate the program.

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**FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS****LEVEL OF EDUCATION PAYMENTS**

**Mr. Bill Blaikie (Winnipeg-Birds Hill):** Madam Speaker, my question is for the Minister of Finance. I should like to return to a matter that was raised in the House on Tuesday. Apparently the Government is contemplating imposing the six and five formula on post-secondary education. However two different messages seem to be coming from the Government. In the House on Tuesday the Minister of Finance maintained that there would be no cutbacks in the health portion of the established programs financing. Later the Secretary of State indicated to the press that, whatever cutbacks there might be, the Provinces would continue to receive EPF funds in a lump sum and it would therefore be up to the Provinces to decide whether universities or hospitals would be affected.

We hope that the Government will not go ahead with this but, if it does, could the Minister tell us how it will be achieved? I would like some clarification on the mechanics of what the Government has in mind. In terms of provincial discretion, it will be crucial how they go about it.

**Hon. Marc Lalonde (Minister of Finance):** Madam Speaker, I am very pleased to clarify this for the Hon. Member. As I indicated, no change is considered to the health financing formula and the payments under the existing formula. If a

change is made under post-secondary education, it would be a change increasing post-secondary education payments to the Provinces by six and five per cent in the next two years. This is paid to the Provinces under the bloc funding arrangement. There would be a cheque for the health contribution and a cheque for the post-secondary education contribution, but, as the Hon. Member knows, the Provinces take that money and put it in their Consolidated Revenue Funds. They can then allocate it in any way they want. No particular stamp is put on the cheque saying "This is an education dollar, this is a health dollar". The Provinces—and sometimes people say that this is unfortunate—can use it to build roads, to pay civil servants—

**Mr. Nielsen:** Or for coal liquefaction.

**Mr. Lalonde:**—rather than allocate it to education. We have seen this in many instances. At the present time the federal contribution to post-secondary education is well in excess of 50 per cent.

The Provinces will remain free to allocate funds they receive from the federal Government to education, highways, publicity, or whatever way they want. There is no way that we can control exactly where our funds are used. We are trying to get a better accounting in that regard and to make sure that at least the Provinces are spending the equivalent of the moneys that we are sending to them. As I say, we are paying well over 50 per cent of the total cost of post-secondary education while the share of the Provinces is between 30 and 40 per cent.

**Madam Speaker:** Order, please.

**Mr. Blaikie:** That is precisely the point, Madam Speaker. We want more accountability. This Party has always been in favour of stricter earmarking of federal transfer payments to the Provinces. It seems that the Minister of Finance and the Government are backing down on this by adopting a penal attitude toward the Provinces as opposed to a positive one.

**POSITION OF PROVINCES**

**Mr. Bill Blaikie (Winnipeg-Birds Hill):** Has the Minister considered more positive, creative ways in which the federal Government could have some leverage over the Provinces that are not spending up to expectations on post-secondary education while the Provinces that are spending what is expected of them will not be penalized by this across-the-board measure? Has the Minister considered any alternatives other than this big stick approach?

**Hon. Marc Lalonde (Minister of Finance):** Madam Speaker, if this is a big stick approach it is a rather small stick. In effect, for 1983-84, the federal payments to the Provinces per full-time student will go up from \$4,520 for 1982-83 to \$4,753. The federal Government is going to increase its post-secondary education contribution very significantly. It is up to the Provinces to decide if they really want to use that money for post-secondary education. Some Provinces are doing better than others in that regard.