

Government is not just getting your picture in the paper. Leadership is not getting your picture in the paper. Honesty is not getting your picture in the paper. There is a job that has to be done. We must keep our universities and colleges staffed, growing, capable of doing research and development and training people. That is a priority. This Government wants to beg off on that priority.

The other day Richard Thomson, President of the Toronto-Dominion Bank, made a forthright speech to his shareholders with regard to government debt, expenditure and deficits. He pointed out that the deficit position of this country was dangerous, that the country was very seriously in debt and that it could not carry on with it. We on this side have spoken to that effect on a number of occasions. We cannot go on with the federal and provincial Governments borrowing 70 per cent to 75 per cent of the available money in the country. There are priorities. My colleague from Kingston and the Islands will talk about priorities.

We have a priority in terms of medical care. Canadians want a medical care system that is properly funded. The people of this country have other priorities. One of them is to ensure that our youth, indeed people of all ages, are educated so that they have the opportunity to grow, build and contribute. That is the only way to solve some of our misery and unemployment problems.

We may have to make cuts in the social affairs envelope. I can name all sorts of things, which I have done before in this House, such as the Canadian Broadcasting Corporation. I would rather see the money here than over there. This may be a matter on which our Party and the Government should get together.

The other day Rowland Frazee, President of the Royal Bank, suggested an all-Party committee to prioritize. He said he would be delighted to have his bank supply resources to help prioritize. I am sure other groups would be willing to do the same. We have to prioritize where we are going and prioritize our expenses. This Government refuses to prioritize. It just stands. Sometimes it cuts because it does not get enough political mileage. It is not a question of cutting in order to economize. The Government talked about the six and five program. There was only one envelope in the system that stayed within the six and five guidelines. Every other envelope was substantially above the six and five guidelines. This Government does not economize. It cuts when it does not get enough political mileage. What we have to do is prioritize our expenditures. Political mileage does not have a darn thing to do with prioritizing.

The task force which I and my colleague for Winnipeg-Birds Hill (Mr. Blaikie) were privileged to be part of analyzed the federal fiscal arrangements in 1981. It was rather definite that transfers by the federal Government to the provinces were not the cause of the federal Government's lack of fiscal capacity. It was the improper management of the fiscal affairs of the country which was causing the federal Government's financial problems. That report bears reading. It shows that this Government has deviated again. According to that task force

Established Programs Financing

report, tax money that was there was supposed to stay there. Transfers were supposed to stay there. In 1982 there was at least a \$500 million cut. That has escalated. Now we have another cut which will also escalate.

I see it is one o'clock; I thank you very much.

The Acting Speaker (Mr. Guilbault): It being one o'clock, I do now leave the chair until two o'clock this afternoon.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, the Bill we are discussing today is Bill C-12, an Act to amend the Federal-Provincial Fiscal Arrangements and Established Programs Financing Act, 1977. Because the primary purpose of the Bill is to "six and five" post-secondary education transfers, the Act is given a new title in order to separate post-secondary education from health care funding. It will be called the Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act.

As has already been pointed out, this is a retroactive Bill. Its application effectively began almost a year ago, on April 1, 1983. Its purpose is to limit the increase in post-secondary education funding to 6 per cent in 1983-84 and to 5 per cent in 1984-85. There may be one advantage in breaking out post-secondary education from health funding which is not being six and five, the advantage being that from now on we will be able to identify more clearly what the allocations are to post-secondary education funding rather than, as in the past, having them mixed in with health and hospitalization funding.

In view of the fact that the Government has, in effect, unilaterally broken a contract with the provinces on the matter of funding, we cannot be very hopeful that this advantage will amount to very much. As we have heard before, and I will not repeat it in any detail, at the federal level the Government made arrangements in 1977 for this new block funding with the provinces with the increases escalating each year according to a given formula. Had that formula been applied in 1983-84, the increase would have been over 11 per cent. Because of the federal Government's unilateral action in six and five the transfers, the increase was effectively around 7 per cent.

• (1410)

In the House, almost a year ago, I asked what the federal Government was planning to do with the well over \$100 million which was thereby not to be allocated to post-secondary education via the provinces. I received no satisfactory answer to my question and, indeed, I learned shortly after that there was some battle going on within Cabinet as to where these previously allocated funds would go. There were about five Ministers who were interested in having the funds and, I