

business in St. John's. That is a direct result of transfers. That is a direct result of established programs financing in the research field. If we do not keep up with research in that province and across the country, we will be unable to compete because we will not be on the leading edge of technology.

In conclusion, the real tragedy is that the Bill hits at the most vulnerable and the most important group in society today as we go into the new age of international competition—the young people who are in danger of becoming a lost generation. For goodness' sake, the Government should pay attention to what people are saying and to the call of young people and reverse this trend. If we must make someone pay, let us not place the burden upon the backs of our young people.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, if Bill C-96 were enacted, it would permit the federal Government of Canada to reduce the federal share of the costs of health services and post-secondary education programs which have been established and improved over recent years. Universal hospital insurance, universal medical insurance, and post-secondary education funding for our universities and community colleges were developed because the then federal Government indicated to the provinces that those services should be improved and brought up to a much higher standard. Also the then Government indicated that it would pay 50 per cent if the provinces agreed. In the case of some of the have-not provinces, it would pay even more than 50 per cent. That was the policy followed and the principle used for many years. That policy continued until the then Liberal Government, using the same arguments we are now hearing from the present Conservative Government, using the 6-and 5-guidelines, cut the amount of spending to the provinces. The then Liberal Government brought in legislation changing the formula giving the provinces under the Established Programs Financing legislation block funds so that the provinces did not have to commit the money they got from the federal Government to health programs or post-secondary education.

● (1620)

The Government is facing a deficit. It says it has to reduce the deficit. It is going to reduce the deficit partly by cutting payments made to the provinces for post-secondary education and health care. The Government knows that the provinces, particularly the have-not provinces, the Province of Newfoundland which has a Conservative Government, the Province of Nova Scotia, which has a Conservative Government, the Province of New Brunswick, which has a Conservative Government, the Province of Prince Edward Island, which had a Conservative Government until a few weeks ago, and the Province of Manitoba, which has a New Democratic Government, are already stretched to the limit and already have been told by the bond-holders that they cannot run bigger deficits than they already have.

What can the provinces do if this Bill passes and the Government begins to pay a smaller share of the cost of funding health care and post-secondary education programs?

Federal-Provincial Fiscal Arrangements Act

The provinces can cut back on the standard of services. As my colleague, the Hon. Member for Hamilton Mountain (Mr. Deans) pointed out a few moments ago, they can cut the number of hospital beds. They can tell the universities to admit fewer students or to have bigger classes. They can impose user-fees. That is one of the tenets of this Conservative Government: make people pay for the services they get even if they cannot afford them, or increase taxes, choices that are almost impossible.

We have to ask ourselves, are we spending too much money for these programs? In 1982, Canada ranked seventh among the 12 countries belonging to the OECD in the proportion of the GDP allocated to public health expenditures. In the expenditure for higher education, we also placed fairly low on the scale in comparison with the other countries in the OECD. What about the field of scientific research and development? We know that Canada does not rank in the middle; we are second from the bottom. Only Italy devotes a smaller percentage of its Gross National Product to scientific research and development than Canada. I am talking about all the countries belonging to the OECD and Japan.

What this Bill proposes is to reduce funding for these programs over what Ottawa paid before, and we are saying to the people of Canada that we will not continue to have the high standards we had before.

Let me make it clear that when we take this position, a position which has also been taken by the Conservative Premiers of the provinces to which I have referred, we are not saying this from a very narrow, political, partisan point of view. Let me put on the record the views expressed by a very eminent Conservative, at least he was known as a Conservative before he was appointed to the bench by a Conservative Prime Minister, Mr. Diefenbaker. Here in part is what Mr. Justice Emmett Hall said in a speech which he gave in Winnipeg on April 3, 1986. He is talking about the state of medicare in Canada today. He said:

The long and short of it is that while we have come a very long way, we are short of the vision on full, comprehensive, accessible, portable coverage in Canada, and we are short on a national strategy of how to get there. In fact, we may be going in the opposite direction.

What this Bill says is, yes, we are going to go in a direction which Mr. Justice Emmett Hall said is the wrong direction. He continued:

But changes are projected, changes that are being called "Expenditure Reduction."—

In simple terms, the federal Government intends to cut spending by \$2 billion per year by 1990-91. Over that period, \$5.6 billion will not be spent and will instead be withdrawn from planned funding levels.

Then he quoted an organization with which I do not often agree. He quoted from a statement made by the Canadian Medical Association, which reads:

The CMA is especially concerned about the effect of reduced federal funding on poorer provinces like Newfoundland, Prince Edward Island, New Brunswick, Nova Scotia and to a lesser extent, Manitoba and Quebec.