

spoke last, including all the cube roots and so on. The real principle behind the Bill is the substantial reduction of the money made available by the Government for post-secondary education. According to estimates, in the 1983-84 fiscal year the reduction will be \$118 million and in the following fiscal year it will be \$260 million. As time goes on that reduction will remain in place. Even more insidious, the Government has done this through the back door. It has done it in a round about way that makes the reductions more than they would have been had the six and five guidelines been put in place.

When we distribute the reductions between the block transfer payments, we go back to 1975-76 to determine the proportions. At that time the amount of money spent as a proportion of this block transfer for health was some 68 per cent and for post-secondary education it was 32 per cent. The current proportions nationally, however, are something like 75 per cent for health and 24 per cent or 25 per cent for post-secondary education. The result of using figures 10 years out of date to determine the proportions to which the 6 per cent and 5 per cent are to be applied is distortion and a greater reduction in transfers for post-secondary education than would be the case had the current proportions been used. In the Atlantic provinces, for example, the reduction in post-secondary education transfers, using that formula, will be even greater than the reduction on a national basis.

With legislation like this there is a danger of allowing the federal Government to go into areas which constitutionally come under the jurisdiction of the provinces. When a lot of money is available the federal Government can offer the provinces a deal they cannot refuse, thus luring them into the trap that has been laid for them. When times get tougher, however, the provinces find themselves bearing the brunt of reductions which are not allocated fairly or negotiated fairly.

The same thing is happening with the Health Act. The provinces got sucked into the dollar for dollar cost-sharing scheme on health costs. Times are now a little tougher and because the federal Government has mismanaged the economy of the country it has very little money and now wants to cut back. At the same time as it is cutting back on health contributions to the provinces, it is bringing in the Canada Health Act which will force the provinces to deliver services up to a certain standard. The provinces just do not have the money available for that, Mr. Speaker. In my opinion that is grossly unfair and it is the wrong way to go about this.

This debate demonstrates the difficulty that governments have in reducing the amount of their expenditures. Everyone agrees that the federal Government in particular is spending too much. We would like to see a reduction of expenditures and a balanced budget.

● (1125)

When proposals are made to cut down on expenditures in any one particular area, those people whose special interests lie in that area are going to be very upset. That is precisely what is happening here. I might have had some sympathy with the Government on this score—because I realize the difficulty—

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had it not thrown, for instance, \$1.5 billion into Canadair, had it not opened up the public purse for disbursements to Maislin and had it not made all these other unnecessary and irrational expenditures, proving that when votes are at stake it is prepared to use any amount of public funds. However, when it comes to something as important as post-secondary education, that is the area of funding which is cut. I have, therefore, no sympathy, or very little, for the predicament in which the Government finds itself in this debate.

I would also like at this time to point out the predicament in which the universities find themselves. Unfortunately, because of the tax system which we have had in this country for so long, both at the federal and provincial levels, people have not been able to accumulate wealth for themselves. All that wealth has ended up in the hands of the Government. Whereas previously endowments were made to universities by wealthy people and estates were left to universities upon the death of wealthy alumnae, that is not the case any more. People do not have that kind of money. If they do, they obviously have not fully complied with the income tax laws in obtaining that money so they are not likely to throw it around doing good works, at least not in Canada. That money might, however, find itself some place else. What we have ended up with is a situation where institutions of higher learning are becoming dependent on government both federal and provincial. It is a sad state of affairs when universities, in particular, become dependent upon the state for their financing.

The last point I would like to make, Mr. Speaker, deals with the Northwest Territories and my riding in particular. To a large extent, financial affairs for health and post-secondary education in the Northwest Territories are not included in this Act. We still will receive the \$7.9 million with or without the passage of this Bill. There are still some problems, however. Institutions of higher learning in the Territories are finding themselves strapped for funds. They have not as much money as they would like in order to provide the much needed services and to get our people educated up to the standards of average Canadians, and hopefully, as time goes by, even higher than that. Because there are no universities in the Territories, our students, if they want to go to university at all, must go to the provinces. A few years ago they were welcomed with open arms, assuming they had the proper qualifications. That is not the case now because the provinces do not have the money and tend to take a parochial view and restrict entry to residents of the particular province. That puts us in the Territories in a very difficult position.

**The Acting Speaker (Mr. Herbert):** I did not want to interrupt the Hon. Member, but I would like to take this opportunity to remind the Minister of Agriculture (Mr. Whelan) that his soft dulcet tones are making it very difficult for the person in the chair to hear the speaker. If he would be kind enough to reduce the volume of his remarks a little, it would be very helpful to the Chair.

**Mr. Nelson A. Riis (Kamloops-Shuswap):** Mr. Speaker, I am very pleased to have the opportunity to rise today in the