

## GOVERNMENT ORDERS

[English]

### FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS AND FEDERAL POST-SECONDARY EDUCATION AND HEALTH CONTRIBUTIONS ACT

#### MEASURE TO AMEND

The House resumed from Thursday, June 12, consideration of the motion of Mr. Wilson (Etobicoke Centre) that Bill C-96, an Act to amend the Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act, 1977, be read the third time and passed.

**Hon. William Rompkey (Grand Falls—White Bay—Labrador):** Mr. Speaker, this is the third time I have spoken on this Bill. The question I would like to ask is how long must we put this before the Government before it realizes that this is one of the most serious measures with which it has come forward? I have said before and I will say again this afternoon that it affects a very important sector of the population and that is the young people of Canada.

To my mind, this is one of the most serious measures to be brought before the House of Commons. It impacts directly and negatively on the young people of Canada, a group the Senate committee tells us is in danger of becoming a lost generation, a group that is in need of the maximum, not minimum, attention from the Government at this time.

● (1220)

Before dealing with the area of education, I should like to spend some time talking about a subject which I have neglected heretofore, that is, health considerations. I am sorry the Minister of Finance (Mr. Wilson) has left the Chamber because I wanted to read to him his remarks when he was in the Opposition, as reported in *Hansard* for March 23, 1982. He stated his opposition to the removal of the revenue guarantee of the Established Programs Financing. When referring to the federal Government, he said:

The only sign it shows of cutting spending is by shifting the burden of the established programs funding on to the provincial Governments. The provinces are now moving into a deficit position, a position which will make it more difficult for them to finance this shift in spending. . . . That is not co-operative federalism. That is predatory federalism, and it will not and cannot work in this country.

He went on to say, as reported in *Hansard* for March 24, 1982:

Taking the action of unilaterally cutting the financing, which the Government is now proposing, and then having some discussions with the provinces, surely puts the cart before the horse. We should be reversing this procedure.

Those were the words of the Minister of Finance when he was in Opposition. Those were his thoughts at that time. That was the position which he took. I suggest it was and is the correct position to take.

His first point was that if we were to deal with the national deficit, the Canadian deficit, we should not do so by simply shifting it from one regime or one level of Government to

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another. That is the first important point to make if we are to see it in context today.

His second point, which I suggest was equally important and is the correct position at the present time, was that unilaterally cutting the financing as the Government is now proposing and then having some discussion with the provinces surely puts the cart before the House, and that we should be reversing the procedure.

This Government or regime was to bring in a new conciliatory mood, a mood of consultation and of co-operation. However, on this most important issue before us, we have seen the Government of Canada move unilaterally. There has not been proper consultation with the provinces. On the other hand, the Government of Canada unilaterally abrogated a five-year agreement which was made with the provinces that indeed funding for health and post-secondary education would increase over the years.

I have said before in the House that many provinces have reacted negatively to this particular move. To amplify that and to add to the list which I read previously in the House, I simply want to refer to a resolution recently passed in the Legislature of New Brunswick. That legislative assembly unanimously approved the motion presented by the Liberal Opposition condemning the unilateral action of the federal Government with regard to Bill C-96.

The motion was moved by Mr. McKenna, the Liberal Leader in New Brunswick, and amended by the Hon. J.B.M. Baxter, Q.C., a New Brunswick Minister. It indicated that it should be further resolved that if any reduction in the rate of growth of funding under the Established Programs Financing Act was agreed to, the federal Government should take steps through the equalization program to compensate the Atlantic provinces for such losses and to ensure that the equalization program provides sufficient revenue so that all provinces have the ability to provide comparable levels of public services at comparable levels of taxation.

I have referred to that resolution because this move by the Government impacts particularly upon Atlantic Canada. We have always been what has euphemistically been referred to as a developing area. Other people have called us a "have-not" area. Economically, as opposed to culturally and socially, we have not been as robust as other parts of Canada. When national cuts are made across the board, the weak are hurt more than the strong. Economically the Atlantic provinces have been weaker historically, through no fault of their own.

Also I referred to that resolution to show the seriousness, particularly in the Atlantic provinces, of the cutting of Established Programs Financing, the cutting of funds to health care and to post-secondary education.

That particular recognition of the situation in which the Atlantic provinces find themselves was adequately supported by the Canadian Medical Association in its response to the action of the Government of Canada in cutting Established Programs Financing. In its news release entitled "Proposed