

Federal-Provincial Fiscal Arrangements Act

In order for Newfoundland to recover the \$187.7 million shortfall as a result of this Bill, the people of Newfoundland will have to accept the provincial Government's action, which will be to increase taxes or institute user-fees in the hospitals. That means, of course, charging for hospital beds, which they were doing for a while until the previous Liberal Government stepped in and said: "You had better stop that because we'll start cutting the payments we give to you". They will have to institute extra billing premiums, expenditure cuts, or increase taxes. None of those options are attractive but they will probably opt for the tax increases. Or perhaps what they will do is cut back on services in other areas to make up for the loss of revenue they would have received from the federal Government.

● (1320)

To set the record straight, it is not that the federal Government is actually cutting the services themselves, but that the transfers to the provincial treasuries will be cut. What will be cut is the amount of money which results from the formula used to transfer money from the federal Treasury to the provincial treasury in order to equalize health care, education and everything else. In other words, we are supposed to have, which we do not, some semblance of uniformity in social security, health and education. We do not see that.

There is no uniformity in Canada, as you well know, Mr. Speaker. How much money an old age pensioner who lives in a nursing home or senior citizens' home will receive in his pension cheque will depend on which province he lives in. That is rather interesting. Each province has its own rules. It is called "comfort allowances" to our senior citizens. An old age pensioner in a senior citizens' home in British Columbia will receive a different amount of money in his cheque from someone in Ontario or in Newfoundland.

The same thing applies with health care. It is the provincial Government which determines the health services. We have a formula whereby moneys are transferred to try to even it out, but the provinces control the money. They decide if hospitals will be built and whether they will limit the numbers of doctors practising in their province, which is an entirely stupid idea. The Government of British Columbia recently announced it was actually limiting the numbers of doctors who could practice in that particular province. The doctors are saying they should have the right to extra bill. It is probably the only profession which is so controlled by Government that they cannot extra bill. Then the provincial Government limits the numbers of doctors who are allowed to practice in British Columbia. The claim is that this practice is going to spread right across Canada. In other words, doctors who are being churned out of medical schools are not allowed to practice in the particular province of their choice. Provincial officials go to Scotland and other countries trying to encourage doctors to come to Canada. Some provincial administrations are doing that on a daily basis. Then another provincial Government says it is going to limit the number of doctors who are allowed to practice in its particular province. So there is no uniformity.

That really says to the Canadian people that there should be some sort of umbrella organization which will try to at least aim for some uniformity in practice across the country.

This particular Bill before the House is just one of many measures which the Minister of Finance (Mr. Wilson) has instituted on behalf of the Government in the form of trying to cut back on federal expenditures. That is the bottom line of this particular Bill in its final closing stage of third reading. There is just one simple reason, and that is deficit reduction and cutting the costs to the federal Treasury.

We have seen that in hundreds of areas of federal jurisdiction. We saw it in Newfoundland last week. The provincial Government of Newfoundland will probably have to step into an area which is not under its jurisdiction, that is the enforcement of salmon regulations. The Minister of Fisheries and Oceans (Mr. Siddon) is in Newfoundland today for a big press conference. He is addressing the St. John's Board of Trade. Last week he cut the numbers of river guardians in Newfoundland and today he is going to stand up, after addressing the Tory fund raising dinner last night, and try to mend the fences. Well, it is not going to work.

The Minister of Employment and Immigration (Miss MacDonald) stands in this Chamber every single day and brags about the number of jobs created. But yesterday morning project officers in her own Department of Employment and Immigration in Newfoundland were called into the office and told they were being given two weeks' notice and they are laid off. One third of all the project officers in the Province of Newfoundland and Labrador received their lay-off notices yesterday morning from the Minister of Employment and Immigration. She is laying off the people who are supposed to be creating employment. Those people cannot draw unemployment insurance because of the change made by the Government, that if they receive separation pay or their sickness benefits back it is deducted from their unemployment insurance benefits. So the people who are being laid off in the Department of Employment and Immigration cannot get unemployment insurance benefits when they are unemployed, which they will be as of two weeks from now. One third of all of the project officers in the employment offices in Newfoundland have received their lay-off notices effective two weeks from yesterday.

This Bill is only a continuation of what the Government is doing in the area of program cuts. As I mentioned, this Bill will shift the burden to the provincial treasuries. Those are the cold hard facts and the reality of the situation. It will hit the poorest provinces the most. In the submission of the Manitoba Government in June of 1986 it is spelled out again. Newfoundland will be hit the worst. Its fiscal maneuverability is the lowest of any province in Canada.

What does "fiscal maneuverability" mean, Mr. Speaker? It means the ability of a provincial Government and its administration to go with the tide, in other words, when the unemployment is high in a province, by its own intrusion into the economy, to be able to bring the numbers up. In a very simple