

The Budget—Mr. Rompkey

riding calling on the government to provide help for those people with unbearable mortgage payments. This budget provides \$350 million for home owners. It provides a guaranteed repayment of deferred interest to those whose payments would exceed 30 per cent of their household incomes. For those who do not have sufficient equity in their homes to support interest deferral, the government will pay up to 100 per cent of the interest deferred to a maximum of \$3,000.

I am particularly pleased that the small business bond will be maintained. This has provided help to many small businesses in my province and across the country by ensuring loans at a lower rate of interest. The bond will now be available to unincorporated businesses as well as farmers and fishermen.

Some hon. Members: Oh, oh!

Mr. Rompkey: I would ask the same sort of consideration from my colleagues opposite that we gave them, Mr. Speaker. They have their time allocation. I would ask them to make their points then and be courteous enough to allow me to make mine now. The fat cats over there may think that this is not important for their riding.

We should not underestimate the degree of help this budget will provide in a province like Newfoundland, small businesses, particularly those connected with the fishery, are the backbone of many small rural communities in Newfoundland and Labrador, and this measure will be a break for them by reducing their financing costs by six to eight percentage points.

These measures will be a great help to people all over the province. Indeed, an economist with Touche Ross in St. John's, says this budget will benefit Newfoundlanders more than anybody else in Canada.

These are measures that show that inflation is not being fought on the backs of the needy. These are measures which help first those who need it most. These are measures designed to raise up those at the lower end of the economic scale.

It was the Minister of Finance (Mr. MacEachen) who introduced medicare to the House, and Liberal governments throughout the years have had a strong commitment to maintaining high standards in both health care and post-secondary education. This budget reaffirms our commitment. False rumours have been spread all across the country, mostly by the opposition, that federal aid to health and education would be cut.

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I received a delegation from the council of the students union at Memorial University in Newfoundland. They pointed out to me the great difficulty the university would have and the students would find themselves in if this were to happen. There was never any intention of cutting funding for health and education. The budget indicates that on the basis of new federal proposals, federal contributions to health care and

post-secondary education are estimated to grow from \$11.5 billion in 1982-83, to \$19 billion in 1986-87, an annual rate of 13.4 per cent. That is the commitment.

For my own province, this story is as follows: in the five years from 1977 to 1981, Newfoundland received, in cash and tax, \$850 million for health care and post-secondary education. Over the coming five years, the federal contribution will be \$1,450 million, rising from \$221 million in 1982-83, to \$366 million in 1986-87. I am happy to say to the students and faculty at Memorial and other post-secondary institutions in Newfoundland and all across this country that we know the value of education to this country, and we intend to keep our commitment. However, some way must be found of ensuring that these funds actually go to finance education and health—

Mr. Laniel: That's it. That's the problem.

Mr. Rompkey:—for while federal contributions have been increasing, provincial contributions have been decreasing. The president of Memorial University, in his convocation speech last spring, pointed out that last year there was only an 8.5 per cent increase in the annual grant from the provincial government to the university at a time when government expenditures are increasing by 12 per cent and university costs are rising 15 per cent. He went on to say:

Another reason why I find the decision of the provincial government so difficult to understand is that it is receiving from Ottawa from the post-secondary portion of EPF more than it in fact spends on the programs approved within that fund. In short, all the dollars spent on the university are federal dollars. I realize that the transfer to the provincial government is unconditional. But the money so transferred was designed to be spent on the programs approved within that fund.

That was a quote from the president of the university in Newfoundland. I think that it is clear from that who is keeping his commitment to education and who is not. However, it will not be enough for the federal government to maintain and increase its support of post-secondary education. In light of what the former president of Memorial has said, ways and means must be found to ensure that those funds actually reach the students for whom they are meant, and are not simply caught up in other priorities of provincial governments. There is no point in allocating funds for education to the provinces if they continue to use this money for other things and, in the meantime, decrease their contributions to education.

In this budget we are proposing that new federal-provincial arrangements be devised for financing education and human resource development by March, 1983. We owe it to students to ensure that dollars earmarked for education go to education and not to something else. Equalization has been a fundamental principle of our federation. This government maintains its commitment to that principle. My own province has always been far too dependent on transfer payments. I think that is a point on which both the federal and provincial governments agree.