ever, its long title is a better indication of the purpose of the legislation. It was:

> An Act to Authorize the making of contributions by Canada towards the cost of assistance and welfare services to and in respect of persons in need.

Now, 34 years later, we are debating second reading of a bill which amends the Canada Assistance Plan. Bill C-69 is entitled the "Government Expenditures Restraint Bill". Government expenditures, including those provided for persons in need, will be restrained, will be cut back.

Before dealing with the Canada Assistance Plan, however, I wish to bring to the attention of honourable senators three other measures contained in Bill C-69, all of which were announced in the February 1990 budget.

First, for the fiscal years 1990-91 and 1991-92, Established Programs Financing, or EPF, which helps provinces fund their health and post-secondary education programs, will be frozen at 1989-90 levels. Any increase will be dependent on population increases alone, which are estimated at 1 per cent. It is obvious that reductions in EPF transfers can have a very detrimental effect on the ability of provinces to provide necessary health and education services. Even the Finance Minister is well aware of the dangers.

In 1982 a Mr. Michael Wilson, MP, warned that cuts to EPF:

> . . . could have disastrous effects on the universities, on the colleges, on the hospital funding, and on the operations of the hospitals. Let us not make hospitals—

remember, this is Mr. Wilson speaking—

> universities and colleges a battleground between the federal government and the provincial governments. Let us solve those problems not on the backs of the hospitals and universities: let us solve those problems outside of that arena.

On this I would say to Mr. Wilson: Hear, hear! That statement was made on March 24, 1982, and appears at page 15776 of the *House of Commons Debates*.

Any move to reduce Established Programs Funding Mr. Wilson characterized as "predatory federalism" that "will not and cannot work in this country." He stated that on March 23, 1982, at page 15758 of the *House of Commons Debates*. Again I would say to Mr. Wilson: Hear, hear!

Upon becoming finance minister, however, Mr. Wilson quickly changed his views. Predatory federalism quickly changed from a plague to a vogue, although to some it is still more a plague than a vogue.

In 1986 Mr. Wilson, as minister, reduced the growth rate of EPF transfers by two percentage points. In 1989 that growth rate was reduced by another percentage point. Now, in 1990, it is being slashed to zero—an additional cut of three percentage points. If Mr. Wilson's warning in 1982, before he became Minister of Finance, had any validity, a proposal to eliminate entirely increases in EPF transfers must be viewed with alarm. Certainly, in 1982, I am sure it would have been viewed with alarm by Mr. Wilson, but then he was a member of the opposition, not of the government, and he certainly was not a finance minister.

This latest cut alone, as contained in Bill C-69, will reduce EPF transfers by $7.364 billion—that is $7,364,000,000—over the next five years. That reference is to be found in the budget document at page 74. This, of course, is in addition to the prior two reductions.

How will this latest reduction affect individual provinces? It has been estimated that over the next five years this single measure will cost Nova Scotia $250 million. Newfoundland will have $162 million less for education and health care. New Brunswick will have $206 million less, P.E.I. will have $37 million less, and Quebec will lose almost $2 billion over the next five years. Ontario will lose over $2.6 billion; Manitoba, $309 million; Saskatchewan $287 million; Alberta, $677 million; and British Columbia, $847 million. Every province loses, whether rich or poor. Every Canadian loses.

On August 25, 1989, when speaking before a general meeting of the Conservative Party, the Prime Minister stated:

> This government will carry its fair share of the burden to ensure that all young Canadians receive a first class education as they confront a world class challenge.

Six months later his government introduced this cutback to post-secondary education funding. One can only say that the relationship between the rhetoric and the measure actually taken is not a very close one. In fact, they are distant cousins, indeed.

This can only remind one of the pronouncements made during the election of 1988 concerning unemployment insurance and subsequent actions. Similar pronouncements were made with respect to daycare, foreign aid, and defence. There is a definite pattern here, honourable senators—a program can only be cut if a commitment is first made to strengthen it. In all areas, what the present government does—and watch for these signs—is first make a commitment to a program and then cut it.

The second expenditure restraint measure contained in Bill C-69 concerns the Canadian Exploration Incentive Program, or CEDIP. This program provides a grant of 30 per cent of the cost of resource exploration financed with flow-through shares. The sectors which benefit are the oil, gas and mining industries. When the program was announced on May 3, 1988, for the oil and gas sectors, the Minister of State for Forestry and Mines said:

• (1550)

> This rate (30 percent) will be guaranteed for two years, until the end of 1990, after which the rate may be adjusted, up or down, according to market conditions and how much incentive is required to maintain healthy levels of exploration.

Honourable senators, it is being "adjusted" in Bill C-69; it is being "adjusted" out of existence. As for the guarantee that it would remain in place until the end of 1990, that guarantee is now being treated in the same fashion as any other promise or