

Government Orders

Conservative approach in action. Total cuts in the EPF between 1986-87 and 1994-95, according to the projections quoted by the Minister, amount to an astronomical \$ 31.1 billion, including \$ 22.2 billion which should have been allocated to health care and \$ 8.9 billion to higher education. It is still an incredible amount.

Mr. Speaker, should the provinces decide not to raise their taxes, they will have to make hospitals and the health care system absorb these cuts. They will have to close beds, reduce services or ask students to pay higher tuition fees and put up with overcrowded classrooms. The government does not seem to realize that it will cause all sorts of problems for the provinces. Even though the government may not be aware of these problems at the present time, such was not the case in the past. On March 24, 1982, the current Minister of Finance said in this House, and I quote: "Let us not make hospitals, universities and colleges a battleground between the federal government and the provincial governments. Let us solve those problems outside of that arena." What happened in the meantime, Mr. Speaker, that would urge the Minister of Finance, who in 1982 was so concerned with the needs of students and the ill, to ask his Minister of State (Finance) to come and defend his budget cuts today?

As for the Canada Assistance Plan, Mr. Speaker, reductions in transfers to provinces such as Ontario, Alberta and British Columbia, the richer Canadian provinces as you know, in a sense reneges on this government's commitment to helping those who are most in need, as I will explain this. The poor in those three provinces are just as poor, they are as much in need, they are hurting as much as the poor in other provinces. Moreover, and this should be emphasized, British Columbia and Ontario, supported by Alberta, are attacking before the Courts the legality of those cuts, even though they are the richer Canadian provinces because they realize what the implications are for their needs.

Let me now turn to the mining incentives program. The outright cancellation of that program less than two years after it was introduced reneged on another Government promise as the Minister of State (Forestry and Mining) stated on May 3, 1988, and I quote:

"That rate, 30 per cent, will be in force for two years, till the end of 1990. Mining areas in Canada, Northern mining areas of course will be the hardest hit by the cancellation of that program, as will small mining operations."

I know some of my colleagues intend to refer in greater detail to that program that is very important for them.

If we now look at the budget proposals, the Canadian Government put a two-year freeze on transfers to provinces under the Established Programs Funding. As we know, EPF helps provinces discharge their obligations concerning health and post-secondary education. If the Canadian Government pays an equal amount of *per capita* assistance to each and every province, as we know is the case, the freeze means that the funding will only increase in relation to the provinces' population growth, which is 1 per cent nationally, as the Minister of State mentioned.

Will Canadians who have personal health problems or who know people who must use health services in their provinces accept those cuts? I doubt it, Mr. Speaker. Again, my point is that the federal government has simply transferred the problems caused by its poor management to the provinces.

I said earlier it was the third time since 1986 that the federal government was reducing its contribution to financing for postsecondary education and health care. Before 1986, the value of these transfers was increased in direct proportion to per capita GDP growth, in other words, the economy's real growth plus the inflation rate times the population of each province. In 1986, the Tory government decided to deindex this formula by reducing the transfer growth rate by two percentage points. This is one of the deindexations they managed to get away with. There were others that failed.

In last year's Budget, the government announced it was reducing the transfer growth rate by another percentage point. This year's freeze means a further reduction of about three percentage points in federal transfers. This is intolerable, Mr. Speaker.

The freeze announced in the Budget will cause the provinces to lose about \$7.4 billion in payments over the next five years. With the two cutbacks announced previously by the Tory government, the reduction in federal