

S.O. 21

measure. The report from Halifax in November, 1985, discussed the fact that Ontario leads the attack on funding cuts and accused the Prime Minister (Mr. Mulroney) of breaking a promise.

The media has picked up the message and the substance of Bill C-96. It is important to realize what its long-term impact will be. It means the indexation of the per capita amounts that will be transferred to each province in relation to the population in each of the provinces at a rate equal to the growth of the Gross National Product less two percentage points.

Where does this notion of a reduction of two percentage points come from? Is it out of thin air? Is there a rationale for it? Why should there be a reduction in the first place? Surely if there is a growth in GNP this growth ought to be reflected and transferred to the provinces. This is what, in essence, Confederation is all about.

Why does the so-called Progressive Conservative Government come up with this notion that the provinces should be deprived by a 2 per cent growth in the GNP? I do not understand that. I would like to hear a Tory back-bencher explain that to us.

There is a feeling here that the quality of our universities, according to the Government, is too high, and the quality of our health services is too high. Based on what students and practitioners in medicine tell me, I would rather see a transfer formula that would be the equivalent of the Gross National Product, plus 2 per cent, instead of minus 2 per cent, in order to prevent the crisis that is being anticipated and referred to in the articles and editorials from which I quoted.

It is a serious set-back for the provinces to know that in each of the coming years there will be a reduction of revenue which, for the totality of the country, will amount in this fiscal year, 1986-87, to a reduction in revenue of \$317 million. In Alberta it will mean today, election today, \$29 million less from Ottawa. Next year it will be \$676 million less coming from Ottawa to the universities and health services across the country.

In 1988-89 it will be \$1 billion less coming from Ottawa on education and health. In 1989-90 it will be \$1.5 billion. You can see how the curve is gradually increasing. In 1990 to 1991 the reduction touches \$2 billion less from Ottawa to the provinces, and in the case of Alberta, \$191 million less.

In the 1991-92 fiscal year the amount will be reduced by \$2.5 billion. As I mentioned to you earlier, the totality of the reduction in the federal contributions to all the provinces, under this particular program touched upon by Bill C-96, between now and 1992 will mean a loss of revenue to the provinces of \$8.133 billion.

The Acting Speaker (Mr. Paproski): I regret the Hon. Member's time has expired.

Mr. Caccia: May I call it one o'clock?

The Acting Speaker (Mr. Paproski): I am afraid I must either recognize another speaker or put the question.

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, since it is virtually one o'clock, may I call it one o'clock and complete my remarks after Question Period?

The Acting Speaker (Mr. Paproski): Is it so agreed?

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Paproski): It being one o'clock p.m., I do now leave the chair until two o'clock this day.

At 12.58 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[English]

MINES AND MINING

ONTARIO HYDRO CONTRACT WITH ELLIOT LAKE MINE

Mr. Maurice Foster (Algoma): Mr. Speaker, I want to bring to the attention of the House of Commons the announcement of the Ontario Hydro and Rio Algom Mines to change the Elliot Lake uranium contracts so that the delivery dates of uranium take place after 1993. This decision will result in the loss of 200 jobs at the end of this year. It is a very serious blow for Elliot Lake.

Ontario Hydro and Rio Algom must reconsider this decision in view of the loss of jobs. Is this cut-back in jobs really necessary? Could this plan be phased over a longer period of time to avoid the lay-offs? Is Ontario Hydro and Rio Algom ready to provide any early retirement program?

The Minister of Employment and Immigration (Miss MacDonald) must provide funds needed for manpower adjustment assistance. The Government must abandon its policy of treating early retirement and severance pay programs as regular income for UIC purposes.

I call on the Minister to change this policy, as have the United Steel Workers of America and many Members of the House.