

The Budget

increased by \$48 billion since 1984 as a result of the budgetary policies of this Conservative government.

I have mentioned that those tax increases have taken the form of surtaxes, de-indexation, tax rates, by the clawback on old age security and family allowances which legislation is also going through this House at the present time. By the way, the clawback on the old age security and the family allowances will benefit the government by \$2 billion.

While the government is raising this massive amount of money in taxes, what has happened to the deficit? As my colleague who spoke before me pointed out, everything this government does is an attempt to deal with the deficit. But despite that massive increase of \$48 billion in taxes since 1984, what has happened to the deficit?

In 1984, the national debt was \$170 billion. In March, 1990, this month, the national debt is \$350 billion. The national debt has doubled since this Conservative party has come to government.

Mr. Hopkins: It has more than doubled.

Mr. Allmand: More than doubled, my hon. colleague says. The Canadian people might very well wonder what has happened to the massive amount of moneys that have been raised by the government in new taxes since 1984.

• (1640)

In addition to the tax increases that have resulted from the budgetary policies of this Conservative government, the government has also cut deeply in essential services that Canadians need. It has frozen the Established Programs Financing policy, through which policy we fund post-secondary education and help the provinces fund medicare and hospitalization. By freezing the budgets under the EPF programs for two years the government will charge the provinces with a bill of \$7.4 billion. In other words, the provinces will lose \$7.4 billion that they would have otherwise received if the government had not put that freeze on the EPF program.

What does that mean for the provinces? We are not talking about trivial services here, we are talking about hospitals, doctors, physiotherapists, and nurses. I put a question earlier to my newly elected colleague from the province of Quebec. Those of us who live in Quebec

know the situation in our hospitals. We know about the crowding and how the emergency wards are crowded with patients that should be in beds. We see line-ups of people at doctors' offices. We know that services are not being performed that should be performed. We had a massive strike by nurses during the past year, nurses who should be paid at a much higher rate but are being paid, in our province, at a lower rate because the funds are not available. How much worse will it be as a result of these cutbacks in the transfers from the federal government to the provinces?

Other speakers in this debate have mentioned post-secondary education. If there is one thing that should never be cut, no matter what the economic situation is in the country, it is education. If times get tough in a family, the last thing we do is take the kids out of school, sell the home or scrimp on medical care. We may cut back on luxuries, on holidays and things like that, but we do not cut back on education. As a nation we should never cut back on education either because education is the basic infrastructure which will lead to economic growth in this country. It is by having a highly educated and highly skilled population that we will increase the productivity and the productive capacity of this country.

So when the government says, on the one hand, that it wants to cut back on the deficit, it seems rather strange that the very policies which will help cut back on the deficit are the policies the government is cutting back. The government is cutting back on education and training which in turn lead to an increase in productivity and additional revenue for the country, which would in turn cut back on the deficit.

In addition to the cuts in transfers to the provinces for medicare, health care and education, the government is also putting a lid on the transfers to Ontario, Alberta and British Columbia under the Canada Assistance Plan. That will cost those provinces \$155 million. Here we are talking about such things as day care, corrections and welfare payments to mothers with children who cannot work. The cutbacks amount to \$165 million for social housing when we have 200,000 homeless people in this country. There are cutbacks to our native peoples in their core programs and cutbacks to women's centres. As a result of this budget the government is shifting a burden of over \$7 billion to the provinces.