

Government Orders

that they be within levels of taxation that are not terribly different from other jurisdictions.

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, it is good to join this debate today because the extension equalization payments for our provinces throughout Canada are an important source of security for those provinces in order to be able to do their economic planning and their preparation in terms of budgetary considerations for the next two years.

We are very pleased to see and we will support this bill which extends the equalization payments to the seven poorer provinces across this country. That is the major impact of this piece of legislation. It changes the formula for these equalization payments so that those seven poorer provinces across this country will receive an extra \$422 million this coming fiscal year and an extra approximately \$200 million for each fiscal year after that.

We are talking about something which is important to the poorer provinces in this country. We are also talking about one step in a whole process of reviewing the transfer payments system in this country. The present system of transfer payments has been so subverted, so undercut, so badly abused by both the Conservative government and the Liberal government before it that the provinces throughout Canada are facing extremely difficult financial circumstances, regardless of which province we talk about. In the case of the seven poorer provinces that received equalization payment support during the period from 1988-89 to 1991-92, the payments to the provinces under the equalization program were constrained. That cost even the poorest provinces in this country a total of \$3.1 billion for that three-year period. That was one part of the way in which the transfer payment promises of this government, commitments which had been made by the federal government to the provinces, were changed unilaterally by the federal government and led to an increased financial burden on the poorer provinces across Canada.

• (1220)

The second way in which this squeezing of provincial government revenues has taken place has been through the Established Programs Financing system, that set of transfers which deals not with equalization, but deals with health care expenses and deals with education.

These changes which have been put into effect, starting with the Liberals back in 1982 and carrying right up to the Conservatives in this most recent budget, have had the effect of significantly holding back the promises which the provinces thought they could count on when they first entered into the EPF arrangements in 1977.

In addition, all the provinces of Canada were supposed to receive 50 per cent of the payments made under the Canada Assistance Plan, which covers things like day care, welfare assistance for people who lose their access to unemployment insurance and a whole host of support systems for the disabled. All of these transfer payments to people across Canada are supposed to be covered half by the provinces and half by the federal government.

What the federal government put into effect was a system by which it would not cover that 50 per cent commitment, that promise, that guarantee which it had given to the provinces. It simply unilaterally tore that promise up and said it would not honour it for three of the provinces in this country: Alberta, British Columbia and Ontario.

In the case of these Canada Assistance Plan payment promises, we are talking about a total cost so far to the provinces of over \$6 billion, promises which this federal government has simply taken and decided to rip in half, decided that this was something that it could simply forget about despite the fact that these were commitments made as part of this government's promises to all the provinces in this country.

The total amount of money lost since 1982-83 on the part of broken promises from federal Liberal governments and federal Conservative governments to the provinces of this country has been \$41 billion. It is no surprise that we have got problems of national unity in this country in the face of that kind of undercutting of transfers to the provinces.

[*Translation*]

It is not surprising, Mr. Speaker, that many provinces find it hard to be proud of his or her country. One cannot be proud of his or her country when the federal government continues to make promises and not keep them. What did this government do? It forgot its promises about health, education, welfare and equalization.