

The Budget—Mr. Vincent

\$5 billion over five years, just for senior citizens. So when people tell me we are penalizing the very Canadians who built this country, I think that an increase of \$5 billion over five years is not bad.

Suppose we consider the various forms of transfers to the provinces. In 1984–85, \$19.7 billion were transferred by the federal Government to the provinces. In 1989–90, transfers will total \$24 billion. I repeat, while running this country and managing to reduce the debt, our major problem, as well as the annual deficit, we have succeeded in cutting government spending and increasing the amounts that are transferred to Canadians and to the provinces. And the same applies to subsidies. Yesterday, they were saying that regional development was being cut. In 1984–85, regional development received \$9 billion. In 1989–90, we are giving \$10.5 billion.

Mr. Speaker, people realize that this Government does act and that it acts responsibly, by dealing with the needs of this country at all levels, including senior citizens, regional development, the provinces and so forth.

Just to give you more relevant figures, Mr. Speaker, the Government's financial requirements in 1984–85 amounted to 6.7 per cent of the gross domestic product, whereas the comparable figure for 1993–94 will be 0.3 per cent, the lowest ever since 1969–70. That, Mr. Speaker, is what we call sound administration.

I was talking about elderly people a moment ago, and I want to insist on that point because some are confused and the Opposition gets a kick out of making things even more complicated.

Mr. Speaker, in the Budget we said that a person aged 65 or more with a net income of \$50,000—or a gross income of about \$60,000 or \$65,000—not including the old age security pension will have to pay back some of the pension benefits according to his or her income bracket. A pensioner with a net income of \$70,000—again this means roughly \$90,000 a year in gross income—will pay back the full pension.

Mr. Speaker, I should think that a Canadian aged 65 or more who has that kind of income can afford to lend a hand to others and to our overly indebted country.

Mr. Speaker, I see you signaling that my time is up. I say in conclusion that the Budget of the Minister of Finance (Mr. Wilson) must be adopted as soon as possible in the best interest of all Canadians.

[*English*]

Mr. Mifflin: Mr. Speaker, I learned some interesting things this morning. My colleague spoke about regional development and transfers to the provinces. He quoted a figure of, I think it was, \$24 billion. That may be so, but certainly in the case of Newfoundland, we depend very much on the transfers to the provinces. In fact, about 50 per cent of our revenues come from transfers. In our province alone, 23 per cent of that is spent on education and close to 22 per cent is spent on health care, two very basic things in life.

I understand that the transfers to the provinces will be cut by 1 per cent, and this represents \$200 million. That is quite a slice considering that in 1986, only two years ago, there was a cut of 2 per cent. While \$24 billion may sound like a lot of money when one mentions it alone, in fact after taking away the 1 per cent, the \$200 million, it will cause a great deal of concern in Newfoundland. Who will make up the redress to pay for the education and health services, particularly in the Atlantic provinces where we depend so much on these transfer payments?

[*Translation*]

Mr. Vincent: Mr. Speaker, I would like to add a slight correction to what my colleague said. What has been announced in the Budget is not a one per cent cut but a one per cent reduction in the proposed increase in transfers to the provinces. That is completely different, Mr. Speaker! And the best proof of it is that in the next five years, the amount given to the provinces will be increased of almost \$25 billion. So, the increase is real, as I mentioned, and if we look at the figures since 1984, the provinces have received more money each and every year through the financing of established programs.

As for equalization, my colleague has not mentioned it in any way. You know, Mr. Speaker, that the equalization program is aimed particularly at those we call the "poorer" provinces, Newfoundland, the Maritimes, Quebec and, obviously, Manitoba. So the Budget does not deduct anything from the full amount of equalization payments.