

Government Orders

I am concerned about my province of Ontario. I am very concerned about the way it is increasing deficit spending and the problem it is in today. I am very concerned about that. While other provinces are toeing the line, it is giving huge pay increases. At a time when everybody else is toeing the line it is spending money in areas that are questionable. It could trim a lot of fat out of its government as well.

When all other provincial governments are going in one direction, the government of Ontario seems to be going in the opposite direction. I believe it is working at cross purposes for what is trying to be attempted right across this country. We are concerned about that.

Mr. Milliken: You should be.

Mr. McDermid: Thank you. My friend from Kingston and the Islands says we should be concerned about it because they are as well. I understand that.

When meeting with the finance ministers from across Canada, they realize that the deficit is a national problem. They understand that fully. It is not just a federal problem, it is a national problem and all governments must participate in a solution.

We had a meeting the other day with the minister of finance for the province of Ontario and even he is now looking for areas to cut back on. He is privatizing too, which is interesting. An NDP government, a socialist government, is privatizing as well, looking for areas it could sell. I understood it sold the dome the other day.

An hon. member: It gave it away.

Mr. Blackburn (Brant): What would you do?

Mr. McDermid: We have the NDP arguing with the Liberals now on this. Maybe I should just sit back and let them go at one another over there. It is wonderful.

As I pointed out, major transfers to the provinces, including both cash and tax transfers will grow on an average of 3.7 per cent per year from 1991-1992 to 1995-1996 and all federal programs will grow by 3.4 per cent.

Let me just point out that these figures have to get on the record because all we hear about are cuts and cutbacks and so on. I want these figures on the record. The equalization payments in 1984-1985 were \$14,568,000,000. In 1992-1993, the fiscal year we are

coming into, they will be \$20,620,000,000, that is from \$14.5 billion to \$20.6 billion.

In equalization payments it has gone from \$5.5 billion to somewhat over \$9 billion in that period. The Canada Assistance Plan has gone from \$4 billion to \$6.6 billion. Other transfers have gone from \$2.1 billion to \$3 billion. Total transfers have grown from \$25.6 to \$38.1, that is \$38,100,000,000 in 1992-1993. That does not sound like cuts or cutbacks. That sounds like increases and it has been increases. We are limiting those increases to ensure there is a discipline both at the federal and provincial government levels to budget and spend wisely. That is what the people have been telling us in no uncertain terms we should be doing.

I want to talk about provincial health standards for a minute if I can. We heard a lot about that this morning.

Bill C-20 amends the Federal-Provincial Fiscal Arrangements Act with respect to the Canada Health Act.

• (1610)

Currently the federal government can withhold equalization payments from any province which does not comply with national health care standards set out in the Canada Health Act regarding comprehensiveness, accessibility, universality, portability and public administration.

Some have raised a concern that as the growth of the transfers under the EPF is limited, the ability of the federal government to continue enforcing the act might come into question.

Bill C-20 ensures that provinces continue to comply with the Canada Health Act by allowing the federal government for purposes of enforcement to withhold funding, other than EPF cash transfers, to provinces. This action will strengthen the government's ability to uphold the conditions and criteria which govern the national medicare system.

Allow me to comment on the alleged vulnerability of this provision to a court challenge. The government has received legal advice indicating that the federal spending power is upheld by the Supreme Court recently in the CAP reference decision and it allows the government to attach conditions to the moneys it transfers to the provinces. These conditions can touch on areas in which the government would not otherwise be able to legislate.