

*Government Orders*

out of the hole. The only way we will get out of the hole is to galvanize people in the country. They must pull their weight and then some. Because this government does not listen, it does not get the kind of productivity that is needed to get out of the hole.

My question to the member is this. He knows the importance of global productivity. This was a man who during the last election kept his trust with the people. He was the only member on that side of the House who admitted that the GST was going to add an extra \$10 billion on to consumers. That trust was respected by the people of Canada at that time. When he knows what the GST is doing to the morale of this country, will he not agree that by increasing the morale we get productivity, lower interest rates and that is the way to attack the deficit in every part of the country.

**Mr. Blenkarn:** Madam Speaker, when you write books on tax reform and you mix tax reform with Bill C-69 and then you confuse the GST with tax reform, you begin to wonder where the hon. member comes from. But let us deal with—

• (1740)

**Mr. Mills:** Drop the smugness.

**Mr. Blenkarn:** The goods and services tax is a tax provision that changes our consumption taxes and increases the productivity of the country by 1.4 per cent on average, increases the gross domestic product by \$10 billion, increases the employment in the country by 60,000 a year—

**Mr. Mills:** It's a disincentive.

**Mr. Blenkarn:** —and so it is the kind of thing he ought to be advocating. But let us get on to this bill.

Here is a situation where the EPF has been growing by 6.3 per cent on average since 1984-85. While other government expenditures have been kept below inflation, indeed a full 1 to 1.5 percentage points below inflation, the EPF has been growing at 1.5 times inflation. What we have is a curtailment on the EPF transfers for two years to those provinces that can well afford to take the hit. What we have on the CAP is a restriction to those provinces—not to 3.5 per cent as federal depart-

ments are restricted, but to 5 per cent, instead of a CAP growth of an annual 6.7 per cent for a period of time.

Surely to goodness that is what he ought to be addressing. What he ought to be addressing is the fact—

**Mr. Mills:** You should be addressing the morale of this country.

**Mr. Blenkarn:** The morale of this country is right, and the morals of the country, too, the morals of someone who would say: "You are honest; you said there was going to be an increase of \$10 billion." There is not. There would have been if we had played with the New Zealand figures and a whole lot of other concepts. But all you do is read headlines. My friend is a headline reader and a headline hunter. Big headlines, big hunter, big nothing on that.

Madam Speaker, the answer is that this bill is important for Canada and the Liberal party ought to stand up for it.

**Mr. Brian L. Gardiner (Prince George—Bulkley Valley):** Madam Speaker, I have two questions for my friend from Mississauga South. The first, he made reference in his speech about—

**An hon. member:** So you're friends now!

**Mr. Gardiner:** The member wonders whether I should use the word "friend". My colleague from Mississauga South commented in his speech about the provinces being wealthy and therefore it should not be a big problem with the bill we are currently debating. He mentioned the surplus in British Columbia and it is obvious he has done some research on this. In fact he would know by looking at the budget, as I am sure he has done, that this so-called balanced budget was created from a fund called the Budget Stabilization Fund.

In light of his comment that the province has a surplus, and in light of the Social Credit BS Fund, my first question is can he explain how the BS Fund in British Columbia operates. Second, he asked about the opposition being responsible. I am wondering if along that line he would then support my private member's bill that would call on the federal government to ensure that when these transfer payments to the provinces are made for health and post-secondary education. For this accountability and responsibility that the member talks