

Federal-Provincial Fiscal Arrangements Act

their constituents will remember that. They should be embarrassed and ashamed of what they said. Quebec did have to add extra taxes to make up for the federal short-fall, an additional \$148 million was needed. I quoted the facts and figures last time, I may come back to them, but right now I would like to deal with some people who have had a great deal to say about what this Bill means.

It is obvious that the Government does not intend to listen to what I, as a simple Member, have to say, but maybe the Government will listen a little more closely to each and every one of these groups which the Government supposedly consulted. Let us take New Brunswick. The New Brunswick Legislative Assembly unanimously approved a motion presented by the Liberal Opposition condemning the unilateral action of the federal Government with respect to this EPF funding Bill, Bill C-96. Let me read the motion. If you do not want to believe me, Mr. Speaker, then believe the New Brunswick Legislative Assembly where I think you have a friend in office, if I recall correctly. It reads:

WHEREAS the Government of Canada has announced that the rate of growth in transfer payments under the Established Programs Financing Act will be decreased commencing in 1986; and

WHEREAS this reduction in the rate of growth will cost New Brunswick \$9 million this year and will total an estimated \$160 million by 1990-91; and

WHEREAS New Brunswick does not have the economic base to absorb such a loss;

BE IT THEREFORE RESOLVED that the Legislative Assembly of New Brunswick requests the Government of Canada—

I hope a few more Members are listening and maybe if they have electors in that area they have heard from them.

—to reconsider its unilateral decision and restore the Established Programs Financing to the level agreed to in 1982; and

BE IT FURTHER RESOLVED that the Legislative Assembly of New Brunswick requests the Government of Canada to enter into discussions—

You know that famous word “consultation”, Mr. Speaker? The Legislative Assembly of New Brunswick has requested the Government of Canada to enter into discussions. It continues:

—with the Provinces in an effort to mutually agree to the level of funding under the Establishing Programs Financing Act for 1987-88 and beyond; and

BE IT FURTHER RESOLVED that should any reduction in the rate of growth of funding under the Established Programs Financing Act be agreed to that the federal government take steps through the equalization program to compensate the Atlantic provinces for such EPF losses, and ensure that the equalization program provide sufficient revenue so that all provinces have the ability to provide comparable levels of public services at comparable levels of taxation.

The difference of what the Government is doing will have an impact that will be different in the East, in the West, in the central provinces and in the Territories, Mr. Speaker. We have an equality clause in our Constitution. We are even going against our own Constitution, which is something we ought to look at.

The Government of Manitoba was not pleased. I could quote practically the same thing. The Government of Manitoba suggests that Canadians should devote a declining share of our economy to health and higher education services at a time when all forecasts show that needs are clearly increasing and

evidence suggests that our country can afford to maintain and improve our services.

Quebec—

[Translation]

Mr. Speaker, during his budget speech for 1986-87, the Quebec Finance Minister pointed out that provincial transfers are not the cause of the federal deficit since they have remained constant in relation with the GNP for many years while other federal expenditures have taken up an increasing share of the GNP. He also asked whether equality meant that the Federal Government should transfer its deficit to the provinces. Is that how we should administer our community?

[English]

I could go on and tell you what the Canadian Medical Association has to say and what the National Federation of Nurses Union had to say. Maybe one of my confreres, the Hon. Member for Saint Leonard—Anjou (Mr. Gagliano), might tell us what they had to say. They are certainly not very pleased. Then there is the Canadian Federation of Students and the Canadian Health Coalition.

What I have been trying to say is that so many people are so unhappy, so many people have expressed their concerns, so many people have let Members of this House know that they are dissatisfied with this Government's undertakings. I request the Government to reconsider its action sincerely and perhaps change the Bill.

[Translation]

Mr. Gagliano: Mr. Speaker, I would like to ask a question to my honourable colleague for Mount Royal (Mrs. Finestone) who mentioned the Quebec Budget and the fact that, because of the impact of Bill C-96, the Quebec Finance Minister had to increase health insurance premiums. Until only a few months ago, the employers paid 3 per cent of the aggregate remuneration of their workers into the health insurance fund, but because of Bill C-96, the Minister of Finance has had to increase their contributions. Since the small business sector pays more in salaries than any other sector, it must indirectly pay the cost of Bill C-96 and of the reduction in provincial transfers.

Will the Hon. Member tell us, since she referred to the Quebec Budget, what the situation is, and specifically what its effects will be? I suppose there are small businesses in her constituency—what is the response of those small businesses in her constituency?

Mrs. Finestone: Mr. Speaker, I thank the Hon. Member. There will no doubt be a negative impact on employers and employees in small and medium-sized businesses. They will have to pay more in Quebec, because of the incredible shortfalls in this legislation that will have to be covered. The shortfall will come to \$82.3 million in fiscal year 1986-1987, to \$174.9 in 1987, to \$270,000 in 1988 and going right through to 1989-1990 there will be a \$3,089.2 billion shortfall to be filled by way of taxes on small and medium-sized businesses.