

Government Orders

The federal government seems not to understand that we are in the middle of a debate on national unity and one of the things that holds this country together are our social programs such as health care, Canada Assistance Plan, income assistance. It has been the leadership of the federal government that has made for a national program. It is one of the things that makes us quite distinct from the United States.

The United States is mainly a Balkanization of states with varied programs that are not applicable as a right of an American citizen. In the States there are many Americans in every state who have no health care coverage at all. The Americans are increasingly looking at Canada for developing a national health care system that would provide coverage to everyone. This is ironic because at the same time we have a federal government that is reneging on its responsibilities by increasingly pulling out of the funding and leadership role in our health care.

There are other areas in which the federal government has pulled back in terms of the equalization or transfer payments to the provinces. Some of them are not large programs, but they have a significant impact on each of the provinces. The federal cuts have raised British Columbia's costs in the farm income stabilization program, crop insurance, economic development, reforestation, policing, social housing and correctional facilities. The federal government has again off-loaded its responsibility on to the provinces. These costs this year amount to \$100 million.

What we have is a systematic attempt by this federal government to say it is not responsible for social programs, for the services to people across this country, that it is simply going to off-load these responsibilities on the provinces.

At any time in our history that would be regrettable. At this time, when we are debating unity and the holding of this country together, it is not only regrettable, it is downright malicious and almost criminal because it has the impact of making Canadians ask: "Why are we involved in a federal state if we have a federal government that can unilaterally pull out of its obligations financially and in terms of leadership?"

We hear the government members get up and say: "We had no choice. It is the debt; it is the deficit. We had

no choice". I would like them to consider a few facts around the debt and the deficit. This government has been in power for over eight years, and if it has not had the economic competence to deal with the debt and the deficit in that period, I am sure it does not have the nerve to ask Canadians to give it another four or five years to try to deal with it.

When the government came into power, the debt was at about \$150 to \$160 billion. It is now well in excess of \$425 billion. It tries to make out that the debt and the deficit are the result of program spending. That is simply not true. Program spending has accounted for about 9 per cent of that debt. The biggest cause of it has been this government's pigheaded and firm belief in a high interest rate policy.

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We see the government, even in the last couple of weeks, using any excuse it can to justify driving interest rates back up. That has directly hurt this government's ability to service the debt. If interest rates had been an average of 4 per cent lower, on \$400 billion that is a \$16 billion a year saving. That would go a long way in dealing with the deficit that we are now incurring.

The government seems to say that it has no choice. Certainly if interest rates fell the Canadian dollar would fall. That is true. I would concur with that.

I happen to be from a province that would be quite happy to see an 80-cent Canadian dollar. We are an exporting province. We would be quite happy to see our lumber industry flourishing with a reduced dollar. We would be much more competitive with our exports to the Asian market and our exports to the United States.

The other major contributor to the debt that this government keeps harping on are tax concessions to the wealthy and to the corporations. The share of taxes corporations pay has steadily dropped over the last number of years. It used to be about 50/50. It is now down to the point at which corporations pay about 20 per cent of the revenues.

We have given tax loophole after tax loophole to the wealthy. The \$100,000 capital gain is costing the federal government, to the provinces, \$2.5 billion a year. The bulk of these lost tax revenues goes to those making over \$100,000 a year, the very high income earners.