

Then, to cap it all off, the federal government has the gall to turn around and tell the Ontario government that it is spending too much. At the same time as it is telling the Ontario government that it is spending too much, it is off-loading its portion of financial responsibility to the province of Ontario to the Government of Ontario.

This government cannot have it every way it wants. On the one hand it lectures the Ontario treasurer and says: "You have got to cut back on your spending", while at the same time this government cuts back on the transfer payments to the province of Ontario.

Mr. Speaker, as you know, the way our country is constituted, the provinces are responsible for delivering certain basic programs: programs for higher education, programs for medicare, programs for social services. If the province of Ontario listened to this Conservative federal government we would have a lot more people not only on welfare, but we would have people wandering around the streets with no assistance at all. We would have universities laying off professors and lecturers. We would have not just wings in hospitals shutting down, we would have whole hospitals closing down.

The Conservatives cannot have it every way they want it. They cannot tell the province of Ontario that it is spending too much money and then cut back on transfer payments in those three vital areas and think that the people of Ontario are going to believe them.

For example, in 1991-92 federal cuts have increased Ontario's debt by \$11 billion or 28 per cent. That is virtually the same amount that the Ontario deficit is at the present time. The reason the Ontario deficit has gone so high is because the Ontario government has felt a commitment toward those hurt the worst as a result of the recession.

It is one thing for the federal government to say: "We are cutting back on fiscal transfers for higher education, for post-secondary education but it is another thing for the Ontario government to tell the universities of Ontario that they have to shut down faculties or parts of faculties or parts of medical schools, parts of educational schools and so on. That is where the action and the heat is. That is where the immediate criticism is, on the street, on the campus, in the hospitals or in the social welfare offices.

It is very nice for the federal Minister of Finance to cut back on transfer payments for social welfare matters. When was the last time he stood behind a counter in a

welfare office and said: "I am sorry, you do not get anything next week or for the next two weeks because we do not have any more money".

It is the provincial people who are left with that very unhappy position. They have to meet the people one on one in the social welfare offices and they need funds. If the federal government is going to cut back on transfer payments, then to fulfil their responsibilities the provincial governments need to borrow money in order to make up the difference.

Then we have the situation where the Minister of Finance lectures the province of Ontario and says: "You are overspending".

Debt is a major problem in this country, nobody denies that. But do you cut back on social transfer payments for welfare, payments to single parent families at a time when unemployment in this country is at 1.5 million, when over 10 per cent of Canadians are unemployed, when industries are not able to pay the taxes which legally they are supposed to be paying, when we have an economy that is in transition? I am being kind when I say that. The industrial heartland of Ontario is in terrible shape. I am not deliberately painting a negative picture.

I am convinced it is going to turn around. I am convinced they are going to be winners and I am convinced that within a year or two we are going to get the unemployment rate in Ontario down to a manageable figure. But to get from here to there, we are going to have to spend a lot of money in this province. Let us be honest about it. Other provinces in this country, the less fortunate provinces, the poorer provinces have for years depended on Ontario, Alberta and British Columbia to mention only three, as sources of transfer payments.

In Ontario, which accounts for 43 per cent of all federal financial input through taxes and receives only 30 per cent back, there is a loss of some 16 per cent in tax revenues raised by the federal system for transfer payments. That amount last year was about \$16 billion and that was during the depth of a recession.

How does the Ontario government keep the money flowing to the hospitals, to the universities and colleges and to social welfare assistance? Where does it get that money? It has to borrow the money. Then the federal Minister of Finance slaps them in the face, verbally at least and says: "Hey, you guys at Queen's Park are spending too much money".