

against it for all these reasons, and if the Government agrees to our amendments in committee, we will be pleased to support it at third reading.

• (1210)

[English]

Mr. Attewell: Point of order, Madam Speaker. I believe the Hon. Member twice used the word "lie". He said that the Minister of Finance (Mr. Wilson) had lied. My understanding is that that is unparliamentary language. If he did indeed say that, I would ask that you rule on it.

[Translation]

Mr. Garneau: Madam Speaker, if I had expressed myself in my mother tongue, perhaps I would have used more parliamentary words, and I think he will admit that I must have been carried away when I said that. I wish to withdraw those words respectfully, even though that is what it looked like when reading newspaper clippings and the transcript of what the Minister said on television.

[English]

Mr. Attewell: Madam Speaker, to clarify the situation, if the word was used, and I believe it was, it was said in English.

The Acting Speaker (Mrs. Champagne): I believe the Hon. Member for Laval-des-Rapides (Mr. Garneau) has said to the House that if he had inadvertently used the word, he did apologize for it and that it went over and above what his real thoughts were. I think we should leave it at that.

Mr. Rod Murphy (Churchill): Madam Speaker, it is with both pleasure and regret that I speak at this time. It is a pleasure because I feel very strongly about the matter of equalization payments. It is not only important to my own Province of Manitoba but very important to the majority of provinces across the country.

This matter is dealt with in our Constitution. Section 36(2) calls upon the Government of Canada to ensure that provincial Governments have sufficient revenues to provide reasonably comparable levels of service at reasonably comparable levels of taxation. We recognize in our Constitution the importance of equalization payments. Unfortunately, we are in a situation where, whether it be that Government or the Government which preceded it, those equalization payments have been treated as a financial shell game. Every time there is a change in the formula, the provinces say they are getting less money than they would have under the previous formula. The federal Government says no, that is not true. A cut-back is not a cut-back. We are giving you more money than you are getting this year and that is all you should be concerned about. You should not be concerned about the fact there were formulas and agreements between the federal and provincial Governments which would have given you more money had they been allowed to continue. Instead, whether it was the Liberal Minister of Finance, Allan MacEachen, or the current Minister of Finance, formulas have been changed. The net

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result each time has been that provincial Governments are not getting as much money as they would have, had those changes not taken place.

• (1220)

I am not saying that the old federal-provincial agreements were perfect, because they obviously had problems. However, neither the previous Liberal Government nor the present Conservative Government have been able to agree with the provinces about how Established Programs Financing and equalization will be treated. It is regrettable that they have not been able to come to grips with this very important matter. One of the reasons that Newfoundland and other provinces came together so long ago was the understanding that all Canadians would be provided the very basic services they required. Yet that is not happening.

Let me give an example of the problems in education, a matter about which I am very concerned as a teacher. I will use figures from 1983 to show the impact of the present arrangements. Newfoundland school boards spent \$2,867 per year per student. That represented 7.2 per cent of the provincial Gross Domestic Product. That is a very high percentage, but not much money. The situation in Manitoba was somewhat better. It spent \$3,742 per student, almost 30 per cent more than the Province of Newfoundland. Furthermore, it was only costing the Province of Manitoba 4.8 per cent of its Gross Domestic Product. Ontario could spend even more, and yet the percentage of its Gross Domestic Product was less.

The point is that the poorer provinces of this country were spending less per student for primary and early secondary education, yet the amount represented a much higher percentage of the total money available in those provinces. The situation has not improved since 1983, and if the formula before us now passes the same disparity will not only continue but, according to the Premier of Newfoundland, will actually increase. It is unfortunate because we have not come to grips with the situation in the last ten years.

In the early 1980s a parliamentary task force with representatives from all three Parties travelled across the country to consult the provinces and groups concerned about education, health care services and the level of those services in every province of the country. The committee returned and presented an excellent report to the House of Commons, but the Government of the day basically ignored those recommendations. In 1982, the Government came down with the five-province formula and created the problems we are facing now. Since then the situation has become worse instead of better.

The November 1985 Budget proposed a change in the formula for Established Programs Financing, the money that is used for medicare and post-secondary education. The Minister of Finance (Mr. Wilson) stated in that Budget that he expected to change the formula in such a way that he would save \$2 billion a year until 1990, which meant that large amounts of money would not be going to medicare and post-secondary education. Although he said this measure would be