

Government Orders

The fears that were expressed during the last election about the impact of the free trade agreement are coming to fruition and are being meted out on the poorest Canadians.

As my colleague for Mission—Coquitlam pointed out, this is not an economic measure. As the witnesses made quite clear at the hearings on Bill C-69, these are not economic measures. This is a philosophical commitment to cut back funding for post-secondary education and for services to the poorest in our society.

Before leaving this issue, I would be remiss not to point out that, while this is the third attempt by the Conservative government to cut funding to the provinces for health care and post-secondary education, the Liberals, when in power, also made cuts to those areas and, indeed, began most of the measures which the Conservative government is now pursuing. Both parties, of course, have a responsibility for the impact of those cuts in terms of over-burdened and inadequate health care facilities, and universities bursting at the seams and unable to provide the education that is needed. The witnesses from the university system—students, faculty, and university presidents—pointed out the enormous danger that that will result in to Canada's ability to compete in a world economy in the future.

In closing, I certainly do not support the amendments because neither I, nor my party, would want this legislation to pass. As I pointed out, it clearly is extremely dangerous and damaging legislation to both the social and economic fabric of the country. Rather, I do so because the commitment of the federal government under the Canada Assistance Plan is to negotiate with the provinces and to give the provinces one year's notice. Surely, it should be bound by its own rules and legislation, and should not blithely ignore commitments that it has made to the provinces which it has placed in legislation.

Mr. Ross Reid (Parliamentary Secretary to Minister of Fisheries and Oceans): Madam Speaker, it is a pleasure for me to speak this afternoon on this very important piece of legislation which has been much discussed in the House and other places.

I would like to be a little bit parochial this afternoon and speak about how this legislation affects my province of Newfoundland and Labrador.

It would be helpful to put a couple of things on the record at the very beginning just so that members in the House and the people who follow this debate, either on television or by reading *Hansard*, know exactly what the context is here.

In Newfoundland and Labrador the three major sources of transfer payments are the Canada Assistance Plan, EPF, and equalization. Through those programs, in 1989 and 1990, the Government of Canada transferred to the Government of Newfoundland and Labrador about \$1.36 billion. As my hon. friend said earlier, that is about 46 per cent of the provincial budget. So, almost \$1 of every \$2 spent by the Government of Newfoundland and Labrador comes from the taxpayers who pay their money to the Government of Canada. It is money that is not spent in other areas in federal programming but is given to the Government of Newfoundland and Labrador, absolutely as it should be.

It is important to look at that number. It is about \$1.36 billion for 1989-90 and for next year it will be \$1.4 billion. That is an increase. The year after that, it will be \$1.47 billion, another increase in funding that the Government of Newfoundland and Labrador can spend on programs. That is a growth of about 4 per cent which is about inflation and which, by the way, will be higher than the growth in federal government program spending.

Despite all the gloom and doom we hear about cuts to this and cuts to that, we in fact have growth higher than that in federal government spending programs.

I mentioned that in Newfoundland and Labrador it was about 46 per cent. In provinces such as Ontario it accounts for about 20 per cent of total revenues. The people in Newfoundland and Labrador, on a per capita basis, receive in transfer payments almost \$2,500 and next year it will \$2,570 per person. In Ontario it is about \$960. That is the context of what we are talking about and that is the difference I am referring to.

Let us talk about some of the programs individually. I would like to touch quickly on CAP. The Canada Assistance program, for my province and the province of my hon. friend opposite is unaffected. Fifty per cent of the eligible costs incurred by the provinces will be covered by the Government of Canada next year and the year after, as they were this year and last year. It is untouched. Yes, there is no question, three of the more able provinces, with the greatest resources and those best able to help, are being asked to make a contribution