

Third, the federal government has cut back on the rate of increase for transfers to the provinces in terms of Established Programs Financing and other federal provincial programs. That has cost the province of Ontario hundreds of millions of dollars a year over what it was to receive.

I know in my own province of Saskatchewan, which is very small with a million people, the cutback on the increase in the amount of transfers has cost our province this fiscal year alone over \$500 million in cash that our province would have received but we are not receiving now because of the cutback in the rate of increase of transfer payments to the provinces.

Those are the reasons. I wish the members across the way would open their eyes and look at reality. In the last four or five years we have had cutbacks in the rate of increase of transfers. The government acknowledges that. It has made things very difficult for many premiers; Premier Wells in Newfoundland, Premier Romanow in my province. It has affected British Columbia and Ontario also, although not as radically as some of the smaller provinces, but it has affected them as well.

Those are problems that are being faced now by the provinces, again as a result of policies of the federal government across the way.

Premier Rae in Ontario is doing the responsible thing. He is trying to handle this, he is trying to tackle this. He is saying, yes, he has got control of the deficit debt problem in his province. Do not forget that in the provinces over half the debt is held offshore, not by Canadians but by foreigners. Something has to be done about this otherwise more and more money will go out of the country.

At least Premier Rae in Ontario is sitting down with the public sector unions and trying to negotiate what must be done. In Newfoundland, Premier Wells did not do this. He just unilaterally said: 'Look, this is what we are going to do, like it or lump it'. In Manitoba, Conservative Premier Gary Filmon announced one day that public servants in that province would be expected to take time off without pay. Again, that was not negotiated, it was not discussed with the public sector unions. At least in Ontario Premier Bob Rae is sitting down and talking to the public sector unions because those are the people who speak on behalf of public

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servants. He is saying: "Look, we have a major problem in Ontario. Here are some ideas on what we think we should be doing about it. What do you think? Let us sit down and negotiate a social contract".

I say that in principle that is the thing to do. That is not what has been done by Premier Wells in Newfoundland or Premier McKenna in New Brunswick or, indeed, the Conservative premier Gary Filmon in the province of Manitoba.

When it comes to making tough decisions, the New Democratic Party sits down and negotiates with the ordinary people of this country in the tradition of Tommy Douglas and Allan Blakeney in my province, and that is exactly what Premier Rae is trying to do in Ontario and what Roy Romanow and Premier Harcourt have done in the provinces of British Columbia and Saskatchewan.

Mr. Sergio Marchi (York West): Mr. Speaker, part of the problem with Premier Rae is very much that he is not cut from the same cloth as Tommy Douglas and the others he pointed out. But that is for another day and another debate.

Today we debate a motion put forward by my colleague, the member of Parliament for Willowdale, who basically quoted that the chief government Whip essentially reflected popular Canadian wisdom about the budget when he classified it as a disgrace, which it is. Why is it a disgrace?

• (1150)

Essentially Canadians have been reduced to worrying about two issues in a profound way. One is keeping or obtaining a job. We know what the recession has done, we know what the government response has been. Therefore it does not bring any pleasure or sense of relief to that number one preoccupation because there are not enough jobs to go around and there are not enough jobs being created and stimulated.

Their second preoccupation is to try to maintain a semblance of accessible affordable medicare. That is the second major preoccupation when you really get down to brass tacks. When one of the leading candidates for the Conservative leadership, a member of Parliament from Vancouver, suggests that she would be in favour of user fees, think of what that does to working middle class families across the country.