

ises were as colourful as candy in a glass jar and just as attractive. These promises gave hope to the electorate last November when Canada was headed for a glorious and prosperous future, thanks to free trade and the Government's economic policy, we were told. Suddenly within six months, we are threatened by inflation, our interest rates are historically high and we have a crippling national debt. The commitments have disappeared into thin air, and hope has given way to despair. Broken promises, Mr. Speaker.

In a riding with chronic unemployment, a shortage of health and education facilities, a lack of public revenues relative to government revenues and services, the straight-faced and fervent campaign promises, made by the Prime Minister (Mr. Mulroney) and his team, of more jobs, no change to social programs, better health and education facilities, tax reform, improved regional development opportunities and even construction of major infrastructure must have raised the expectations and hopes in the minds of even the most skeptical.

I must admit, I was beginning to believe it myself for a while. We did not expect political miracles. We did not expect anything more than was promised. What did we get? We did not get very much, Mr. Speaker. If we bear in mind that this Budget must have been formulated last fall when this Government knew about the deficit and the national debt, we wonder what was going through their minds when they, six months later, made the announcements that we have seen and upon which I am commenting this morning.

I would like to examine some of these promises. First regarding unemployment, in mid-March of this year, unemployment insurance recipients in a part of my riding had their qualifying time increased from 10 to 16 weeks, not because the employment had increased, but because of an unfair quirk in the system. I have already spoken about this in the House. A few weeks later we found out that \$30 million would be taken from Newfoundlanders out of work as a portion of the \$1.3 billion directed from unemployment insurance. On April 26 we learned that this Government is giving up its 23 per cent contribution to the unemployment insurance fund. Together that represents an over-all reduction of unemployment insurance funding of just over \$4 billion. If you

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work that out on the back of a cigarette package, it equals \$1,400 for each unemployment recipient.

The playing field that we heard so much about during the free trade debate is being levelled even before the referees are being called out to referee the game. This all occurs after Newfoundland's representative in the Cabinet said, and I quote: "You're damn right I asked the Prime Minister about changes, and he said, no, no one was planning any changes in the unemployment insurance program".

To use his language, there is a change, a damn big change and they damn well knew it at the time.

Some Hon. Members: Hear, hear!

Mr. Mifflin: What kind of public trust is engendered by this kind of behaviour? On the subject of jobs, we were promised that free trade would produce over 200,000 jobs. This was the cry during the election campaign. But the Conference Board of Canada this past weekend predicted that this Budget will slam the brakes on economic growth that will cost somewhere in the vicinity of 87,000 jobs in 1990 on top of the thousands of jobs that we have just lost since this House sat last December.

The Minister of Finance (Mr. Wilson) admitted that unemployment would rise from 7.7 per cent to 8.5 per cent next year as a direct result of this Budget.

I would now like to look at two basics, health and education facilities. They are important in all provinces. Newfoundland relies heavily on the transfer of revenue from the federal Government, as I indicated earlier this morning. In fact we derive nearly 50 per cent of our provincial revenue from the Government of Canada. Twenty-three per cent of our budget goes to education and 22 per cent goes to health care. That is a big slice. Beginning next year, I see from the budget papers that transfers to the provinces, its growth, whatever you want to call it, is being reduced by \$200 million, in addition to the 2 per cent cut-back that took place in 1986. This is bound to have a detrimental effect on the health of our people and the education of our children. The question is who is going to pick up the slack? Where is the slack going to come from?

In the few moments before one o'clock, Mr. Speaker, I would like to talk about regional development. In Newfoundland, we rely heavily on regional development agreements called ERDAs for short. The ERDA process is critical to fueling the engine of economic growth in Newfoundland; indeed in all but two provinces in Cana-