policy he attacked with such high sounding words a very short time ago. It may be that the Minister of Finance thinks Canada does not need universities. It may be that he thinks any research Canada may want can be bought offshore from the Americans, the Germans, the Chinese or the Chileans. The Chilean universities have been cut in half by a Government that followed the same sort of policy. The American universities are being gutted by the demands of military expenditures. It is not clear where the Minister thinks we can buy research if he destroys the ability of Canada to do the kind of research that he says we need to bolster our industry and the general cultural life of Canada.

I do not know if the Minister thinks we can buy health care offshore. Of course, he has not spoken to either of these points. He seems to imagine that we can cut back the health services available to Canadians without damaging the morale, productivity and taxation ability of Canada. I know he is very interested in the ability to tax.

It appears that the overriding concern is some sort of grudge against the provincial Governments. There appears to be a desire to get back at the provincial Governments. The Hon. Member for Mississauga South said that the only way we can really get back at the provinces for the revenues we created for them is to change their EPF arrangements. In other words, the Government is not concerned with the continued growth of health and education but with a feud between the Government and the provincial Governments.

This Government claims that somehow or other, the provincial Governments have more money than they should have, so the Government is going to figure out a way to take it away from them or else make the provinces suffer. It is very doubtful if that will force the provinces to bring forward the money that is required, and I will return to that point later.

The fact is that this is a cut. It is a cut in the provision of the amount needed by health care and education services to keep up with the growth of Canada. This kind of cut is not necessary. The fact is that the Government has taken measures to generate a great deal of new revenue. Without saying that I approve of all the measures the Government has taken, it has used its power to vote through a Budget, tax measures, changes in the Canada Shipping Act and all kinds of other measures designed to charge new or larger fees for all kinds of public services.

There will be much larger fees to use provincial parks, new or larger fees to use Canada's waterways, new fees for services like immigration and new fees for all kinds of public services under the Department of the Secretary of State (Mr. Bouchard). The Government reckons that those new charges will bring in $35 billion of new revenue in addition to what it received before. Out of that, only $1 billion will go to the universities and colleges and the health system. In other words, about 3 per cent of the new revenue will go to these two services which are basic necessities in any modern country.

There is no reason to be cutting back. There is no reason for the Minister not to allow the same percentage that was used before, 11 per cent of those new revenues, to be used again. The fact is that he has decided, for reasons he has not really explained to us, to cut education and to cut health. To argue that the provinces could make up the difference is a very, very biased argument. To the extent that the provinces can do it, to the extent that it is financially possible for them to do it, only a few of them can.

• (1350)

I am referring to a study set out by the Province of Manitoba this year called "Setting Priorities Straight". They made a comparison of the ability of the provinces to raise money, taxation, and similar revenue. Let us say that 100 per cent is sort of the average, and that some are above and some are below. My Province of Ontario comes very close to the 100 per cent; it would have 98 per cent of the ability about which they are talking. My province would not suffer as badly as some will. Conceivably Ontario might generate the revenues about which they are talking.

Certainly a province like Alberta, whose ability to generate taxes is 200 per cent, could do a great deal better than any other province. British Columbia is at 104 per cent. Saskatchewan is at 105 per cent. Those provinces which have a strong natural resource base could perhaps scrape by and raise the revenues which the Minister of Finance is demanding that they raise. However, Newfoundland can only raise 60 per cent. If a dollar is needed, Newfoundland has the ability to raise no more than 60 cents. Prince Edward Island is at 61 per cent; Nova Scotia, 72 per cent; New Brunswick, 67 per cent; Quebec, 79 per cent; and Manitoba, 81 per cent. Even Manitoba will be falling behind at that rate, let alone all the provinces east of Ontario.

The Minister of Finance comes from Ontario, as I do. Perhaps he does not feel or perceive the pinch. However, there is an old story from "the dirty thirties" about a group of unemployed people who went to Toronto City Hall to talk to the Mayor and ask for help. Alderman Smith, who was leading them, was their spokesperson. The Mayor first turned to some of the men and said: "Where do you come from?" They said that they came from Nova Scotia, Manitoba, and Newfoundland. Then he turned to Alderman Smith and said: "Mr. Smith, why do you suppose all these jobless people have come to Toronto?" Alderman Smith said: "Well, Mr. Mayor, I suppose they are following the money". That is the long and short of it.

If the Minister of Finance expects to drain money out of the poorest provinces of Canada, he will also be draining the people out of them, and they will head for Toronto. I can assure you, Mr. Speaker, that I will refer those who land in Spadina to Etobicoke. I will tell them that not only is Etobicoke where the money is but Etobicoke is where the money man is, the Minister of Finance. I will tell them that they should explain to him how he has impoverished their provinces