

Federal-Provincial Fiscal Arrangements Act

that which is being spent in other areas of government expenditures.

The federal Government is not in any way trying to undermine the federal-provincial transfer system. Rather, we are making what amounts to minor changes in order to ensure the fiscal integrity of the entire Canadian economy. Our health and post-secondary education systems have served Canadians well in the past and will continue to serve them well over the next five years and beyond, if we get our total financial house in order and work toward balancing the Budget. That may take some time because the Budget has been so poorly managed in the past decade.

I have a private Members' motion which is similar to the Gramm-Rudman-Hollings Bill in the United States which proposes a balanced Budget for the United States by 1990-91. Frankly, I do not believe it speaks well for politicians or the political process that legislation is required to compel a Government to have a balanced Budget, but that is what is taking place. The United States began its deficit some 30 years ago, while ours began some 12 years ago.

Americans are much more aware of their serious deficit situation. According to a poll, which I have not seen, Canadians rank the problem of the deficit as thirty-sixth on their list of major concerns. Their first concern is unemployment. That is quite natural, although our Government has done much to correct that problem. Their second concern is feeding the hungry of the world, and the third is seeking peace. These are laudable and commendable objectives for us all.

Although I believe the awareness of the fiscal situation in this country is increasing, we must increase that awareness even further. We are spending the taxpayers' money and they expect us to use it in a more frugal way so that we can eventually see a surplus in this country. For those who have forgotten, a surplus exists when revenue exceeds expenditures. We have not experienced a surplus in this country for some time, but with the approach that the Government is taking, I think we will have that surplus in the not too distant future. We will achieve that goal with the co-operation of the Canadian people, despite the wall that has been put in place.

[Translation]

The Acting Speaker (Mr. Charest): Questions or comments. The Hon. Member for Laval-des-Rapides (Mr. Garneau).

Mr. Garneau: Mr. Speaker, I have a few comments and also a question for the Hon. Member for Don Valley East (Mr. Attewell).

First of all, I would like to point out to the Hon. Member that he can't eat his cake and have it. In the first part of his speech, he criticized the Liberals for their poor financial management and their completely irresponsible spending habits. I think it is strange he should be saying this at a time we are considering Bill C-96.

I may remind him that in 1982, when the fiscal arrangements legislation was adopted for five years, 1982-87, the

Progressive Conservatives objected to any change in the formula that would result in a reduction in transfer payments. The Hon. Member for Don Valley East cannot turn around and blame everything on poor financial management, when his own party took the opposite stand during the debate on the 1982-87 fiscal arrangements. Even the present Minister of Finance (Mr. Wilson), in speaking to the legislation at the time, said that this was not co-operative federalism, and I would like to quote him directly:—

[English]

“That is not co-operative federalism. That is predatory federalism and will not and cannot work in this country.”

[Translation]

Mr. Speaker, I would say that the legislation being considered in that particular debate had far less impact financially on the provinces than the legislation before the House today. I also fail to understand why the Hon. Member wants to have it both ways.

My question concerns the quality of health services. How can the Hon. Member, whose party voted with the Liberal Government at the time against the introduction of user fees, whose party objected to this and even voted in favour of the Government, irrespective of its political stripe, cutting transfer payments to the provinces that allowed extra billing, as the phrase goes, how can he make the kind of speech he just made today? And I would like to ask him this: Can his province, the Province of Ontario, afford to lose \$3 billion without this having an effect on its deficit? Because that is what Bill C-96 means. The Province of Ontario stands to lose \$3 billion between now and the end of this decade.

Furthermore, since the Premier of Ontario has indicated that this kind of legislation would make Ontario cut 75,000 hospital beds, does the Hon. Member believe that the Province of Ontario can afford to do so, and if not, who is going to pay the bill for those hospital beds? Ontario taxpayers, because the federal Government has transferred its deficit to Ontario?

● (1600)

[English]

Mr. Attewell: Mr. Speaker, I would like to respond to some of the remarks of the Hon. Member for Laval-des-Rapides (Mr. Garneau). I honestly think he knows better.

Mr. Guilbault (Saint-Jacques): Nothing personal. Answer the question.

Mr. Attewell: He has had a very successful term in a position with the Quebec Government. He was a CEO of a large financial institution in Quebec. He more than all people is aware of what has to happen whether one is with an organization or in government, one has to work toward eventually balancing the Budget. This country cannot go on for another ten-year period as we have for the last decade.