

*Oral Questions***TRANSFER PAYMENTS**

**Mr. Rod Murphy (Churchill):** Mr. Speaker, the Minister of Finance is correct. He is continuing to follow the Liberal policy of trashing transfer payments to the provinces.

Yesterday the Conservative Government of Manitoba added to its previously announced cuts to school-boards, hospitals, child care and other services by cutting off completely funding for friendship centres, crisis centres, aboriginal groups and representatives of the poor and the disabled.

Other provinces are contemplating crippling cuts to other social programs. What will the Minister of Finance do to restore services for those who are victims of these very hurtful economic policies?

**Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance):** Mr. Speaker, since this government has been in office our major transfer payments to the provinces have grown at an annual rate of 5.2 per cent per year, or 60 per cent over the period of time we have been in office, from \$25.6 billion to \$40.5 billion.

In his own home province the transfers to Manitoba will grow at an annual average of 6 per cent between 1984-85 through to 1993-94, expected to exceed \$1.9 billion in 1993-94, and it accounts for just under 40 per cent of Manitoba's revenues. That works out to more than \$1,700 per person.

The hon. member has got it all wrong. Transfer payments have not been cut; they have been going up. They have gone up by 60 per cent since we have been in office.

**Mr. Rod Murphy (Churchill):** Mr. Speaker, the minister knows that had he and Allan J. MacEachen not changed and changed again the formula, Manitoba would have received \$280 million more this year.

Before the April budget will the minister meet with his provincial counterparts and discuss what they will do about the financial crisis and what will they do to preserve and create jobs in this country?

**Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance):** Mr. Speaker, if we had followed that kind of logic, today we would have had an \$82.5

billion deficit rather than a \$34 billion deficit. That is what this government has had to do.

I ask the hon. member to consider what is happening in the provinces of Ontario, British Columbia and Saskatchewan.

• (1430)

They too are faced with the realism of fiscal restraint and they too have to structure their payments with discipline. That is precisely what we are doing because when there is a shortfall of \$8 billion or \$10 billion in revenue, governments must act, federally and provincially, and indeed municipally. When is the hon. member going to accept that responsibility? It is high time.

**Mr. Bill Blaikie (Winnipeg Transcona):** Mr. Speaker, the government is fond of saying that there is only one taxpayer. Certainly the Minister of Finance is fond of saying that. This is folly to the students in my riding, particularly those who attend schools in the Transcona Springfield school division, whose quality of education will suffer because of education cutbacks that are directly related to years of unilateral federal cutbacks in the rate of increase in transfer payments to the provinces. These cutbacks began in 1981 under the Liberals, something they do not always admit.

What advice does the minister have for the people in my riding who, because they already have a small tax base, cannot possibly make up the difference in the way that some people in the wealthier parts of Winnipeg might be able to? What advice does he have for them? There may be only one taxpayer, but not all taxpayers are equal and this government's cutbacks and the Manitoba government's cutbacks are hurting people who can least afford it.

**Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance):** Mr. Speaker, I wish I could provide the hon. member with a quick, simple and easy solution. Unfortunately there are not any quick, easy or simple solutions. The fact of the matter is that we have had to constrain our federal spending in a manner consistent with the revenues. That is a responsible approach. That is what provincial governments are faced with and that is what the federal government is faced with.