

months from now that that threshold could very well be reduced if they wished to take additional forms of income from poor and middle income Canadians. We know the track record. It is evident there for all to see. This means that as the Government looks for additional income or additional savings next year, the threshold could be dropped to \$40,000 of net individual income, thereby capturing the family allowance benefits of an additional 530,000 families. Once the precedent is set, I suggest that the desire to achieve greater savings may prove irresistible to a hungry Government looking for new cash.

• (1020)

In any event, the lack of full indexing of this threshold will ensure that those earning \$40,000 net individual income today will begin losing their family allowance benefits in eight years' time.

The assault also goes on to other programs other than old age security and family allowance. On December 9, 1983 in the House the Right Hon. Prime Minister (Mr. Mulroney) stated:

Genuine co-operative federalism requires a spirit of generosity. There must be certain things that are above politics—there are certain things in Canada which must be safeguarded against any partisan attack—Medicare has to be one of them at all times.

Let us look at the record. From 1984 to 1989 we know what has happened. Unilaterally the Minister of Finance reduced expenditures and income transfers to the provinces substantially so that smaller provinces are feeling the heat and have stated so publicly. In his Budget papers he is going to give a further reduction of 1 per cent. As a result of the 1986 unilateral cut-backs and the Budget measures of 1989, the cumulative effect of those reductions will mean that Prince Edward Island will receive \$7 million less, Newfoundland will receive \$34 million less, New Brunswick will receive \$43 million and \$53 million less. That is for 1989-90 fiscal year.

The Minister of Finance would attempt to have us believe that with that reduction of 1 per cent we are still giving additional income to the provinces. Has the Minister of Finance from Nova Scotia said anything about these cut-backs and how it will affect his province? Has the Premier of Nova Scotia? Have other provincial Ministers said what these cut-backs will mean? These provinces will lose this cash in fiscal year 1989-90.

Supply

The Minister states that we have just reduced a little bit of the growth, by 1 percentage point. One percentage point to the people of Nova Scotia or Newfoundland, or poorer provinces such as that, is an astronomical amount. It is no joking matter. It is not a game of theoretical arithmetic for Ministers of Finance to engage in. Those provinces were planning to have this money in 1989-90 in order to meet their economic commitments. By reducing that amount of money to the provinces, it will mean difficult decisions for provincial Governments to make. For example, it will mean such things as reductions in the number of people who work in our hospitals, whether it be nurses who care for the sick, orderlies who look after the infirm, or whether it be maintenance personnel. Their budget is shrinking, and the provinces will have to shoulder that burden.

Mr. Crosbie: That's totally wrong.

Mr. Dingwall: Members opposite do not wish to hear the facts, but those are the facts. So much for the generosity of the Prime Minister when it comes to co-operative federalism. He talks about \$25 billion over "x" number of years. However, he does not talk about the reductions and how that will affect the lives of Canadians in different regions and communities. Somehow we are supposed to accept holus-bolus that things are okay, people will proceed, and life will go on as normal. However, when provinces that administer many of these programs are going to be short with regard to that financial assistance, I suggest very carefully and very sincerely that that will mean grave and serious consequences for them.

As the former Prime Minister, the former Right Hon. Pierre Trudeau said on that occasion:

It is a matter of Tory mentality, not a matter of dollars and cents. Let me tell all those Canadians out there who think it is time for a change that if they elect a Tory Party they better not be sick.

How true he was.

As a Government we protected those social programs. Successive Liberal Governments have protected those programs. That crowd over there, Mr. Speaker, wish to be tough in economic matters, but the Minister of Finance is really tough. He is such a tough guy that he taxes children. He is even tougher than most Canadians. He has terminated the child care program in terms of additional income for child care spaces. He is the guy