

With the passage of Bill C-12, New Brunswick will receive \$3.3 million less for post-secondary entitlement than the current fiscal year; Nova Scotia will receive \$4.1 million less; Newfoundland will receive \$2.7 million less; and Prince Edward Island will receive \$6 million less. Clearly, it is in the area of federal transfers that we have to look for assistance in the short term.

When I asked him about this in the House, the Minister of Finance (Mr. Lalonde) indicated that he was just not sure where he could look to find the funds because he, too, was facing a tight budget restriction. In this regard I have some suggestions, and I refer to the Auditor General's report. The Auditor General suggests that the inadequacy of existing control is illustrated by Canadair's reported loss of \$1.4 billion for 1982. This is at page 18 of the Auditor General's 1983 report.

The Auditor General points out that to create an appearance of reduced operating losses, Crown corporations have been taking more money than needed from Government, investing it and spending the interest against an operating loss or to purchase assets. He points to Devco, \$57 million; Canada Ports Corporation, \$20.4 million; and VIA Rail has more than \$129 million in surplus funds invested. Loto Canada, which ceased its lottery operations in 1979, but remained in operation until 1983, owes the Government \$14.4 million.

Canadians will have paid about \$4.6 billion to oil companies through the Petroleum Incentives Program by 1985 with no adequate review of such matters as security of oil supply, the effect on the level of exploration, the success rate in finding more oil and success in attracting Canadian investment.

At page 535, the Auditor General notes that the Department of Transport made payments of \$282 million to railways without enabling legislation, and the Department of Transport paid \$46.8 million in a double payment to CN which was not recovered. This is at page 536.

• (1805)

These are some areas to which the Minister of Finance might direct his attention if he is serious about a program to help the Atlantic Provinces in the short term. In the long term, as I have indicated, we have to develop common goals and objectives with the provinces and work together to create a climate attractive to industry and provide incentives—real incentives—for industrial development and expansion.

Other areas where we might look for assistance are in the bail-outs of some of our Canadian corporations. Surely if we have billions of dollars to spend bailing out our Canadian corporations, we should have some funds available to assist provinces that are trying desperately to help themselves.

Maislin has cost the Government about \$33.4 million and Massey-Ferguson received a loan guarantee of \$125 million for non-voting preferred shares. In July 1982, Ottawa ended up with 62 per cent of the share issue.

The Government's financial commitment to Canadair even last month was \$1,836 million. This figure includes the \$46

million purchase price, loan guarantees of \$1.35 billion and equity infusions of \$440 million. It is more now.

The Government's financial commitment to de Havilland to date totals \$751 million, composed of a \$41 million purchase price, loan guarantees of \$456 million and equity infusions of \$260 million. It is no secret that the Minister can find money when he wants to and I want to identify these areas as some possibilities to assist the Minister in his search.

The Acting Speaker (Mr. Guilbault): The Hon. Member's time is up.

Mr. Ralph Ferguson (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I have listened with interest and sympathy to the remarks of the Hon. Member for York-Sunbury (Mr. Howie) concerning the financial problems confronting the Atlantic Provinces in general and the Province of New Brunswick in particular. As the Minister of Finance (Mr. Lalonde) indicated to Members on January 25, he has recently met with the New Brunswick Minister of Finance on this subject and the Minister's request for special assistance, over and above that already given, is being examined.

In the course of this examination, the position of New Brunswick is being compared with that of other provinces to ascertain how levels of debt compare, how levels of taxation compare and how the capacities of the various provinces to raise revenues compare. Officials of the two Governments will be meeting in the course of this review, following which the Minister will look at it again.

During this examination, the Minister will have to consider his own fiscal position and deficit, neither of which leaves much room for meeting the numerous requests for assistance that he is receiving.

I would like to call attention to the very large assistance that the federal Government already gives to the Atlantic Provinces. This is provided in three principal ways: through transfers to provincial and local governments; through transfers to persons; and through direct employment and other direct expenditures. In all three cases the share of federal assistance and expenditures going to the Atlantic Provinces is well above the average for all provinces.

Transfers to the Governments of the Atlantic Provinces will be nearly \$3.5 billion in the present fiscal year. Almost \$1.9 billion of this amount will be in the form of unconditional equalization payments. Contributions through cash and tax transfers for the support of hospital insurance, medical care insurance and post-secondary education will be well in excess of \$1.1 billion. These are statutory programs and Members will be aware that the Atlantic Provinces recently received a windfall increase of about \$60 million as a result of a mid-year change in the estimate of the nation's gross national product by Statistics Canada.

Federal support for the Atlantic Provinces is also very large through transfers to persons, oil import subsidies, salaries and wages and other direct expenditures. As a consequence, total federal expenditures in New Brunswick in 1981 amounted to