

finances and the activities of the province of Manitoba. It is expected to exceed \$1,750 per capita this year.

Our equalization growth rate will be 9.8 per cent. That is not quite as high as the province of Nova Scotia, but very significant. When you compare the three transfers that will take place on the EPF and the Canada Assistance Plan, we are looking at 5.1 per cent, well above the inflationary rate.

There is no doubt that provinces are equally responsible for providing education and health care. It is not the federal government alone that is involved in this.

• (1250)

We all have deficits in the provinces as a result of a bit of a difficulty in our financial activities across this great land. Other countries do, we all recognize that, and we are striving very hard to bring back greater employment.

We have some other political parties hovering around the countryside that would like to reduce the amount of government intervention by 15 per cent. The Reform Party would do that. Now the opposition members should be standing on their feet. If we take 15 per cent away from the equalization payments to the provinces, I suspect we might have civil war.

That is the fear because this party that is going to save everyone in western Canada, the Reform Party, is advocating major reductions in spending by the federal government and this I am sure would be one of them.

When we see what 15 per cent does, hon. members in this House will clearly admit that our growth of 5 per cent, 6 per cent and in one case, 8 per cent, is not a reduction in transfer payments. It is our commitment toward this very important part of our federalism which I can assure members we have no indication of discontinuing. We do ask in a very reasonable and consultative way that the provinces also look very closely at their budgets and their programs. They have to contribute equally with the federal government to programs for which the funding is short.

There is no argument that there is less money coming in when you have a recession. There are demands on money all the time. As we know, none can deny it, even the wealthy province of Alberta finds itself with deficits. At one time it had such a tremendous growth in its heritage.

Government Orders

We are living in the real world. Those who jump up to condemn this government on this issue are not telling the facts and are not responsible to all Canadians when it comes to looking after the finances of this land. Canadians are telling us more and more to spend less. This present government, very wisely by the minister, reduced some of our personal income taxes because it is an incentive to work hard and maybe save some money.

When we look at these figures, I would really ask members opposite to consider that we have acted very responsibly. The members opposite are prepared to jump up and say: "You have cut these poor people out of education and you have cut them out of health and they cannot get a bed". That is not the case at all.

This government has lived within its fiscal framework, recognizing that we are in a downturn economy, hopefully to move it upward. We have interest rates at a reasonable level, albeit they bounced up one-quarter or one-half a per cent and mortgages went up three-quarters of a per cent and everybody panicked across the way. I think it has to be realized and demonstrated that we have inflation, which is very damaging to any economy, at a level which is acceptable. We have interest rates still at reasonable rates. When we compare the last 15 years, we have them at very reasonable rates. There is an indication that the budget has created housing starts far exceeding what we expected. Opposition members will jump up and say it is not enough. We have the right thing going with regard to this piece of legislation.

I heard the Leader of the Opposition state that we should deficit further for some short term gain in employment.

I have seen opposition in government and when it deficits, not by a few billion, but by many billions of dollars to get the economy going, it is only a short-term gain and a long-term pain for all the future people of this country, the young people. That attitude just does not wash today. The days when we have major extensions to our deficit to try to persuade the economy are not in the works any more. Canadians will not tolerate it.

Our party does not intend to raise the deficit at any kind of an alarming rate as it was done in the past. That is not the way of the future, it is not the way you run any business and it is not the way you run a country. I would like to see our country remain strong and remain a most desirable place to live, as was expressed by the United