

Oral Questions

• (1440)

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, first of all, the facts state that over the last four years regional spending has increased by 50 per cent. The facts also state that as a result of this Budget there will be an increase of a further 35 per cent on top of the amount of spending that we have had over the last five years.

In terms of improving a better balance of economic activity across the country, surely the Hon. Member will agree, because he has stated it on a number of occasions, that we must get interest rates down. The only way that we can get interest rates down is to get the annual deficit down and get control of the national debt.

The Member has to stop speaking out of both sides of his mouth. If he wants to get interest rates down, he has to get the annual deficit down as well.

JUSTIFICATION FOR CUTS IN SPENDING

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, the facts also state in his own Budget papers on page 68 that there will be a 21 per cent cut between fiscal year 1989-90 and fiscal year 1990-91.

Will the Minister explain to the people of Canada how he can justify a cut in the next fiscal year of \$90 million in regional development funding for Atlantic Canada? How can he explain a cut of \$109 million in Quebec? How can he explain a cut of \$28 million in Ontario? How can he explain a cut of \$66 million in western Canada?

How can the Minister justify those cuts to the poorest and most disadvantaged parts of Canada in light of the fact that the Prime Minister recognized it as a problem two years ago?

Hon. Harvie Andre (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, as the Minister of Finance pointed out and is clearly evident in the documents, regional spending will continue to go up as it has.

I find it passing strange that members of the New Democratic Party state that we should cut support for business, and then state that we should spend even more than we are spending in terms of contributions to business through our regional development programs.

Are members of the NDP in favour of more support to business regionally? If so, that will be factored in in terms of the next Budget. If Members opposite are opposed, why are they complaining?

In any event, if Members opposite look at the numbers objectively, and not from the perspective of class warfare which the NDP seems to be locked into, they will see that there was an increase.

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TRADE

FREE TRADE AGREEMENT—DISMANTLING OF PROGRAMS

Mr. Bob Speller (Haldimand—Norfolk): Mr. Speaker, during the election campaign the Prime Minister stated that the Free Trade Agreement would have no effect on regional development programs, would have no effect on agricultural subsidies, and would have no effect on the supply managed sectors.

My question is directed to the Minister of Finance. Will he now stand in the House and say that the Prime Minister and his Government have once again deceived the Canadian public? This Budget is only the beginning of dismantling all the unique programs that we have in Canada, the programs that make agriculture and our farmers so great.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, there is absolutely no connection, no association whatsoever between the measures that we have taken in the Budget and the Free Trade Agreement itself.

Many times during the election campaign I pointed out that, if we do not get our deficit and our debt problems under control, that will totally undermine any benefits that will come from the Free Trade Agreement. The debt and the deficit problems are there standing very large and must be dealt with, with or without a Free Trade Agreement.

AGRICULTURE SUBSIDY PROGRAMS

Mr. Bob Speller (Haldimand—Norfolk): Mr. Speaker, Canadian farmers are good people and they do not deserve an answer like that.

On Friday we found out that the United States Government has accused Canada of restrictive trade practices. One of the areas the Americans mentioned in their hit list is that of freight rate subsidies.

Surprise, surprise, Mr. Speaker. What do we find in the Budget? We see that the At and East grain and flour