

Oral Questions

have in this country. That has not been changed by this budget.

We have asked the provinces to share in the solution of a national problem. The transfers that we make to the provinces are not for health care, or post-secondary education. They are unconditional transfers. It is up to the provinces to decide how they want to spend that money.

However, in making the changes we have been sensitive to the financial strength of the provinces. Provinces such as Ontario, Alberta and B.C., who are fiscally stronger, have been limited to a growth rate of about 2.25 per cent next year. The less strong provinces, such as the Atlantic provinces, will have a growth rate of about 4 per cent. But the average for all the provinces is 3 per cent and the average for the total program spending of the Government of Canada is 3 per cent.

We are not asking the provinces to do anything more than we are prepared to do ourselves. In fact, the other spending reductions that we have made represent a far greater adjustment in our spending than we are asking of the provinces themselves.

Mr. Chris Axworthy (Saskatoon—Clark's Crossing): Mr. Speaker, the Minister of Finance should listen to his own words about compounding interest. What is going to happen in this country in the next five years is \$7 billion is going to be cut out of health care. That is after 88 per cent of Canadians told this minister not to cut funding to health care and post-secondary education.

In this budget 70 per cent of the—

Mr. Speaker: The hon. member will put his question.

Mr. Axworthy (Saskatoon—Clark's Crossing): Mr. Speaker, in light of the 70 per cent of this budget being cuts to the sick, students and the poorest in Canada, why does the Minister of Finance not pick on somebody his own size? Why does he not pick on somebody who can fight back?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the provinces who we have asked to make this adjustment in their spending are quite capable of speaking for themselves. Some of the provinces have acknowl-

edged that we do have a deficit problem, that we do have a debt problem and that we must deal with it. They understand the way that we have to deal with it, even though my hon. friend might not be able to deal with it.

Let me ask him to consider this one point. We cannot ignore this debt problem and what could happen if we do not deal with it. Consider the debt that this government took on in 1984 from the previous government. It was \$185 billion. Eighty per cent of the deficits that we have incurred since 1984 have been simply interest on that debt. Surely that is a clear enough message to him that if we do not deal with this problem, we are going to get overwhelmed by debt and that is something—

Mr. Speaker: The hon. member for Beaver River.

Miss Deborah Grey (Beaver River): Mr. Speaker, after last year's budget I requested an analysis of the government's revenue and expenditure patterns by province, and was told that that simply was not available. This kind of analysis is essential. The government says its spending cuts will allow the Bank of Canada to reduce interest rates. But this is true only if the greatest cuts are in the regions of highest inflationary pressure.

My question is for the Minister of Finance. Will he agree to table a regional analysis of the government's revenue and expenditure patterns for this year's budget?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think what my hon. friend is really voicing is a sense that people have that this budget is going to be hard on this part of the country or that part of the country.

Let me quote from Jeffrey Simpson this morning. He gave some sample headlines from across the country. He wrote:

B.C. battered by Wilson's budget—The Province in Vancouver.
Alberta pays Wilson's tab—Budget hits Saskatchewan hard—

In Central Canada—\$3-billion cuts hit hardest at Ontario.

The same in Quebec and so on throughout the whole country.

I think the important message here is that most parts of the country feel that they have been asked to carry a share of the burden. That says to me that we have allocated that burden in a fair way.