

*Supply*

The budget that was delivered last week had \$30.7 billion in cuts over the next five years, and that only listed cuts within the discretionary spending of the total fiscal budget of the federal government. The Minister of Finance did not touch any of what we call statutory spending, which includes the transfer payments. My colleague from Winnipeg mentioned a great deal with regard to health care through the leadership speeches.

• (1045)

It is quite interesting. The \$30 billion comes out of the discretionary. Let us just take a look. The federal government transfers \$41 billion to persons in this fiscal year. That figure includes OAS, which totals \$20 billion, and UI benefits, which amount to \$19.4 billion. That is \$41 billion there. We transfer \$26.4 billion to other levels of governments, the provinces. That totals \$67.4 billion, which is about 63 per cent or 65 per cent of all our expenditures.

The message I am getting from people across Canada is: You did not cut enough, Mr. Minister of Finance. What he did is look at discretionary spending that this House has some flexibility on. We are not about to act unilaterally with regard to transfers to the provinces until he sits down with his colleagues on May 30 and 31 to discuss EPF, which includes health care and education. They will discuss CAP, the Canada Assistance Plan, which looks after our social programs and they will discuss equalization.

Now 65 per cent of our budget goes out in transfer payments, and we are looking after the total social security system that has been in Canada for some time. This will be the next move.

I would like to ask my colleague from Winnipeg, with regard to making further cuts and making this country more economically viable and the fact that we must get our expenditures down, how would the member treat the provinces in the transfer payments?

**Mr. Axworthy (Winnipeg South Centre):** Mr. Speaker, I am glad the hon. member is prepared to come to grips with re-priorizing her own government's spending priorities.

Maybe she could begin by making a direct appeal to her colleague, the minister of defence, to eliminate the helicopter program costing \$5.8 billion which is designed

to buy a piece of equipment that is no longer required. Thereby, beginning this year we could save \$300 million a year in commitments and contracts that are being signed.

Just think of the number of young people we could put back to work with that \$300 million. We could reduce the unemployment rate of young people, which is now close to 20 per cent, in half if the government was prepared to spend that kind of money on them rather than buying equipment to chase Russian subs which are all docked up in port because they do not have the money or the fuel to go out to sea again.

If the member is really serious about looking at cuts that make sense, that really go to addressing real issues and real concerns, then how can she be part of a government that persists in buying outmoded, outdated, and obsolete military equipment at the same time that she is prepared to have 20 per cent of our young people unemployed?

**Hon. John McDermid (Minister of State (Finance and Privatization)):** Mr. Speaker, I have been sitting here listening to my hon. friend from Winnipeg.

As usual, he stands up and rants, raves and yells. When his points are not that well made he makes a lot of noise. He did not say one positive thing about what the Liberals would do.

I have to give credit to my friend from Willowdale. He had some ideas that are worth pursuing. However my hon. friend from Winnipeg stands up in this House and, as he has year after year ever since he got in opposition, rants, raves, and carries on.

First of all, I want to make a comment about his visit to Disneyland. Mickey Mouse spoke very highly of him when he took his son there. As a matter of fact, Mickey said he felt a real kindredship with the hon. member from Winnipeg. I do not know why he is knocking the Prime Minister for taking his young son to Disneyland. That does not make too much sense.

Let me comment on some of the things that my friend has said about the budget and about comments made by a couple of the candidates for the leadership of the party. First of all, this is a scurrilous motion that my hon. friend from Willowdale has brought forward. He is having some fun with the leadership and I understand that. If we were in opposition we would be doing the same thing. I understand what he is up to.