

Government Orders

would have to raise some \$7 million before the provincial government would kick in its share.

Needless to say that \$7 million has been in the bank for a year. It seems that the provincial government has come along and said that it is sorry, it cannot fund it this year. There is an election coming, so maybe during the election it will fund the hospital.

I guess I am suggesting that over all the federal government has done a fine job of controlling its expenditures. I am sorry that I have to debate a bill to borrow \$25 or \$26 billion more, but maybe next year we will be debating a bill to borrow an awful lot less and the Liberal party will have given us, I am sure, all kinds of ideas on how we can borrow less money.

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I of course enjoyed the numerous references in the hon. member's speech to my own. I know that he has now had a good long look at "Legacies", the twenty-sixth review of the Economic Council of Canada. I did not forget anything in the report, I just did not have time to read all the figures and statistics out of it which, clearly, he found of such interest.

The fact remains that the report made it clear that the budget deficit could be brought under control if the Minister of Finance took certain steps, and there was a recommendation contained in there. I used the recommendation as an indication that the government does not need advice from us on how to bring the deficit under control when it is paying \$10 million to the Economic Council of Canada to provide it with that advice.

The fact is that, even if we were to provide the advice, this government ignores it. We have the evidence there in the form of the Economic Council of Canada report. We have seen the evidence in the Minister of Finance's own budget. He has clearly ignored the recommendations.

Will the hon. member tell us why it is he thinks the Minister of Finance has ignored these recommendations and is letting the deficit remain high, in fact go up? He referred in his speech to the deficit going down. It has not gone down, it has gone up over last year. He knows that. I know he would not want to mislead Canadians into thinking that the government is doing something that it patently is not.

Can he explain why it is, in his view, that the Minister of Finance has ignored this advice and is increasing the deficit at a time when he says it is so important that it be reduced?

Mr. Soetens: Mr. Speaker, I would be happy to respond to that. From all the information I have, the deficit for 1989-90 was \$30.5 billion. The projected deficit for 1990-91 is \$28.5 billion. My first response to the hon. gentleman is that \$28.5 billion is less than \$30.5 billion. Now that is Conservative counting, not Liberal counting. I just point that out.

Second, he asked about some of these recommendations. Why did the finance minister not accept them? That is the difference between us. It recommends that we should freeze transfer payments to the provinces. We know that there are provinces in this country that cannot afford to have a total freeze. He ignores that. He would just as soon that provinces like Saskatchewan, Manitoba, Alberta, Newfoundland and Prince Edward Island be frozen. Well, we know, as Conservatives, that we cannot do that.

It refers here to the indexing factor for family allowance. He says that we should deindex those things. Well, his party is going to have to make up its mind. The last time this government tried to deindex something, some five years ago, those people railed against it. They are going to have to make up their mind. Do they agree with full indexing, or do they not? It seems, if they are going to ask why we did not follow these recommendations, that they are either for them or they are not. It seems that they do not have the courage to take a position on these particular programs.

We are willing to take advice. Yes, we did not take all of their advice. But since he wants us to, why does the hon. gentleman not say: "You were right to take the advice of the Economic Council of Canada and put in place the goods and services tax"? Maybe he did not want to take that particular portion of these recommendations into consideration in his questions and comments.

He is going to have to make up his mind. He wants us to freeze payments to the provinces that do not have the abilities, and he does not want us to put the goods and services tax in place. Now, which of these recommendations of the Economic Council of Canada does he want us to follow?