

*The Budget*

payments were cut in 1986 and they continue to be cut. This means that the provinces will have to pay more.

There is an inability to admit, or perhaps to understand, that the transfer is both cash and tax points. Tax points do not put a whole lot of bread on the table.

• (1230)

**Mr. Dick:** They don't?

**Mr. Duhamel:** No, there is not and I would challenge you to debate that publicly.

**Mr. Dick:** I would sure like to have a few of them.

**Mr. Duhamel:** There is an inability to accept that certain provinces are growing rapidly and some of the increased costs are wrapped up in that growth.

I am appalled that you would not be fair to another level of government, and I would suggest that if you feel as strongly as you do I could put in a call and organize a debate between Mr. Peterson and yourself or Mr. Nixon and yourself to see who is right.

The hon. member and some of his colleagues have mentioned the choices that they have had to make and there is a suggestion that they have been tough choices. Let us look at some of those choices: Defence: 5 per cent increase; CSIS: 20 per cent increase.

**Mr. Dick:** You call that an increase, you have to call cap an increase too. It's the same 5 per cent.

**Mr. Duhamel:** It is not. You misunderstand it completely. I am shocked that you would not understand it, and we can debate that if you want.

How is it that you chose to cut transfers to health and education and you gave increases to defence and CSIS, and I mentioned the percentages, 5 per cent and 20 per cent? Would you not be rather concerned that these cuts that you have undertaken in health and education will affect young people, the elderly, the sick, the veterans, women, our aboriginal people, regions?

Would you not agree with me, and this is not intended to be unparliamentary, I will be very gentle here, that it is a bit of a wimpish kind of decision to exercise those choices, because picking on children, the elderly, the sick, women, aboriginal people, veterans, people who are not well represented, people who come from small regions does not demand strong decisive action. Would

you not agree that people who did that could easily be called wimps?

**Mr. Dick:** Mr. Speaker, I am very pleased to hear that the hon. member recognizes what the Liberal Party always has been and that is wimpish, because the Liberal Party has caused the difficulty for all of the disadvantaged in this country. The Liberals spent money so fast and so carelessly that in the long run, if we did not correct the situation over the last five and a half years and during the next three years, those are the people who will be disadvantaged in this country in the years to come.

Let me be more precise. It is the province of Ontario which has exceeded spending by 9.5 per cent, an amount which is increasing, and is the most inflationary of all the provincial governments. Ontario has 3.8 per cent, 4.2 per cent unemployment in the golden horseshoe and cannot even find people to do some of the jobs there because of the high rate of employment. It keeps on pumping more money into the system which also causes the Bank of Canada to increase the interest rate to try to cool the inflationary pressures which hurt Newfoundland, Prince Edward Island, northern Saskatchewan. The Liberals do not care about that. They only care about the cities. That is the way their governments were in the past as well.

The member stated that there was an increase of 5 per cent. We cut back defence spending—I think it is \$280 million over the next two years, limited to a 5 per cent cap which will take care of inflation. That is the same 5 per cent cap that we are cutting back the Canada Assistance Plan. That will not be allowed to grow by more than 5 per cent. Same thing. It covers inflation for Ontario, B.C., and Alberta.

**Mr. Duhamel:** Health and education.

**Mr. Dick:** The member forgets that in 1977 when the Liberals were in power they traded away for a couple of tax points the tie-in of EDP programs to education. Those do not mean the same thing any more. They are not tied to that. The provinces, 13 years later, would like to tie it to that. But they were told then that they would be entitled to spend it on highways, if they wanted to. They could spend it on hospitals, or they could spend it on education, but they were not required to. So that tie is no longer there as a result of the Liberal change in 1977.