

Oral Questions

We are proud of the fact that we have one of the finest health care systems anywhere in the world. We see the excellence of this system as one of the features which distinguished us from our neighbours to the south.

At a time when our health care system is financially strained, I ask the Minister of Finance why he has gutted health and education budgets in Newfoundland of \$162 million; Nova Scotia, \$250 million; Prince Edward Island, \$37 million; and New Brunswick, \$206 million. Why has the Minister of Finance done this? He is exacerbating the regional disparities in this country.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, this is a twisting of facts and a distortion of figures. What I am hearing today takes me right back to the election campaign and the scare tactics the hon. members opposite used.

My friend talks about regional disparities. Surely he understands what we have done in this budget. We have cut back on the growth rate of the transfers to provinces, but for the larger provinces like Ontario, British Columbia, and Alberta, the transfers will grow at 2.25 per cent. The transfers to the Atlantic provinces, one of which he represents, will grow at a rate of 4 per cent. That compares to the growth of program spending of the Government of Canada of only 3 per cent.

Surely he can understand that we have not done things that will aggravate any regional disparities as a result of this budget.

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, my question is for the Minister of Finance, not the Minister of Veterans Affairs, because the Minister of Finance is responsible for the budget. I want to know if we heard the government correctly.

We know in the budget there is no cut-back on the size of cabinet. There is no cut-back in the government advertising for the GST and other programs. Yet, the government is asking veterans who are sick and lying in hospital beds to pay an increased fee for room and board. These are people who fought for this country and were prepared to die for this country.

I would like to ask the Minister of Finance where are his priorities, where is his sense of fair play when he asks people who fought for this country and were prepared to put their lives on the line to pay an increased charge for

room and board. Yet, the government is not downsizing the size of the cabinet or cutting back on government advertising. Where are his priorities?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, if the hon. member cares to look back over the last five years, he will see very clearly that on a number of occasions we have enhanced the programs in support of our veterans, because we believe in giving our veterans the best possible support they can receive.

We know we have a major debt to our veterans who fought for us during the last war, fought for our freedoms, and we are continue to meet that debt.

My colleague has just said that there is some rebalancing within the support we are providing to our veterans so that that support can be provided to our veterans in the most equitable way possible.

• (1450)

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, I think the whole credibility of the government is in question here.

I would like the minister to confirm the fact that the calculations in the budget he tabled yesterday in the House of Commons were made before the end of January, before the bank rate in this country had jumped by over 1 percentage point.

Since those calculations were made before the end of January, could he now confirm that if he were to update his calculations in a fair and honest way the deficit would be over \$30 billion, that the unemployment figures would be higher, and that the inflation rate would be higher?

Will the Minister of Finance confirm that those calculations were made before the end of January? Will he update the budget forecast to include the new Canadian reality of even higher interest rates in this country?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, this budget is designed to reduce interest rates and what do we have: the hon. member fighting against a reduction in interest rates.

We believe that the projections provided in this budget are sensible, realistic projections. As I indicated in *The Budget Papers*, there was a survey done of private sector forecasters which came up with an interest rate average