

billion turnaround in our last five years. This is a great achievement.

We have cut our spending, keeping it at the rate of growth of 3.5 per cent. Meanwhile, our transfers to the provinces year after year were increasing by 6.5 per cent. Looking at the over-all situation, at the need to get this in order and to continue in our effort, we felt that we could not leave aside such a massive program. Next year in transfers to the provinces we will be spending \$35 billion. This is a large amount of money. You cannot cut what you do not spend so we had to look at it and we had to do it in a very fair way.

We had been asked by many ministers of finance of the various provinces, including my own province, to be attentive to the fact that there are provinces where the inflation pressures were higher, such as in Ontario, Alberta and B.C.

We have been very attentive to make sure that we spread these necessary cuts around. In total, these reductions, not in the transfer themselves but in the growth of transfers from 6 per cent to an average of 3 per cent—a little over 3 per cent in Quebec, a little over 4 per cent in the Atlantic provinces, and about 2 per cent in Ontario—were for the very purpose of sharing together in this national problem of reducing our expenditure. They represent less than 1 per cent of the total income of the provinces.

So it is a problem that can be dealt with if the provinces agree to share in this effort. They have to, because if we do not put this problem to rest once and for all over the next few years, we will not be able to transfer anything to anybody. This is what we are doing because our capacity to maintain the programs would disappear.

**Mr. Pickard:** Madam Speaker, I appreciate being able to address the Minister of State for Finance with a question.

I found it very interesting that he would stand in response to my colleague's question and suggest that six years ago the Liberals had a difficult situation with a budget deficit of \$22 billion. I have noticed that your budget deficit last year was \$39 billion, about double.

I found it interesting that the national debt was \$168 billion in 1984. It is now \$350 billion. Taxes have been

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increased 31 times by your government and those 31 increases have brought \$50 billion more revenue into your coffers, bringing the total coffers to \$70 billion, which national taxes were in 1984. Today, it is \$120 billion.

And you stand and brag about improving the economy in this country. There has been tax grab after tax grab after tax grab. You have changed direction now, but you have not changed in one area. You still seem to blame the Liberal party. After five years of mismanagement, five new budgets and a sixth one now, how on earth do you have the nerve to stand and blame the Liberal government for your folly for five years when you have increased the taxes 100 per cent and you have doubled the debt, doubled the deficit—

• (1815)

**Some hon. members:** Order.

**Mr. Fretz:** Point of order.

**Mr. Pickard:** I can ask a question with regard to—

**The Acting Speaker (Mrs. Champagne):** On a point of order, the hon. member for Erie.

**Mr. Fretz:** On a point of order, Madam Speaker. The hon. member keeps addressing the hon. minister. I realize he may be a new member here but surely he knows that his comments have to go through the Chair.

**The Acting Speaker (Mrs. Champagne):** It would be appreciated by the Chair if he would put his question to the minister through the Chair.

**Mr. Pickard:** I stand corrected, Madam Speaker. I am sorry they did not go through the Chair. I was misdirecting my comment. I was trying to deal through the Chair to the hon. minister. I was really baffled about how he directed his comments to the Liberal party. I guess sometimes things are misdirected.

I would guess, from what I have heard from the hon. minister, that there has been a tremendous misdirection about the economic woes of Canada in 1990. That misdirection has come from the Minister of Finance and the Minister of State for Finance. In all honesty, I would like to hear a justification of how he can support blaming Liberal governments when six budgets have come in, when there have been so many tax increases, and still we have an economy in a terrible state.