

would have been competing with the Americans to see who could have more atomic-powered submarines patrolling the Arctic watching each other. There would not be a surplus. Perhaps the one good thing about the Budget is the fact that the Government decided that it is not in a position to build or acquire a fleet of atomic-powered submarines.

Whose fault is the high interest rate policy that the President of the Treasury Board was complaining about, and its effect on the deficit and on the debt? Who is responsible for it? I can recall hearing on television Conservative after Conservative, when they were in opposition, accusing the Liberals of having a high interest rate policy. Now that the Conservatives are in office, it is somebody else's fault. They do not say that it is the Governor of the Bank of Canada, but somebody else's fault. They take no responsibility for it at all. They recognize the effect on the deficit, and they must recognize the effect on inflation.

I heard a previous Governor of the Bank of Canada state that interest rates must be increased or we might have inflation. The moment interest rates are increased there is no more "might" about it. It is automatic that there is inflation right away. Why not lower interest rates? That has been advanced by my colleagues, and I will not address that further.

There was an editorial in *The Globe and Mail* which recognized that people are worried about the deficit, whether it is important or not. There is some argument about that. Economists will tell us how vital it is that the deficit and the debt are controlled, and just as many economists on the other side of the fence will state that it is quite manageable, and it is nothing to worry about at its present level. Whatever is the truth of that we will never know.

I have done a lot of campaigning and heard many stories. One of them was "if all the economists in the world were laid end to end, it would be a good thing". The editorial concludes by stating that whatever is going to be done to control the deficit and to control the debt, it must meet the test of fairness.

I wish to ask some questions about some of the measures undertaken by the Government to control the deficit. Many have been discussed previously, and I do not intend to discuss them in detail. I simply want to address the question that it is not fair.

The Budget—Mr. Stupich

The Government is getting out of contributing to the unemployment insurance fund. That is all well and good for harmonization which is part of the free trade deal, and I admit that it covers that, but when the Government abandons its responsibility to look after the differences in regional employment rates and states that it is up to the unemployed to do that. When the Government states that in difficult times it might add some money to this fund, in other words, when it suits its political purpose it will put some money in, that is not fair. The Canadian Jobs Strategy and programs like that might very well be funded by unemployed workers. I suggest that that is not a fair way of dealing with the deficit.

Once again, transfer payments meet the test of harmonization. But when transfer payments to the provinces are cut back, and there are provincial leaders who would love to cut health costs, education costs, and hospital costs, premiers want to move into privatization in all those areas. That meets the test of harmonization but it is not fair to the Canadian people.

Cutting \$400 million in the next two years from regional development once again meets the test of harmonization. Is it fair that we should be cutting back on programs such as reforestation in B.C. and all the programs in the other provinces that are funded in part by regional development payments? I suggest that it is not fair to the Canadian people.

With regard to culture and cutting back on the CBC, perhaps the CBC is not the most popular radio station in each locality, but it is important to the Canadian identity. It is being cut back so far that the person in charge states that he does not know what will be left of the CBC.

There are other cultural programs that the Government is cutting back. The Americans wanted that when they were negotiating the free trade deal. They wanted the Government to get out of sponsoring, funding, and subsidizing cultural programs. We turned it down until after November 21, but then we decided to accept it. That is not fair to the Canadian people.

Year after year child care has been promised by Liberals and Conservatives, and supported by everybody in the House. Now that has been abandoned. If it was a popular program here, and if it was a popular program outside, is it fair to the Canadian people to cut that particular program? I suggest that it is not. Once again, it meets the harmonization test, but it does not meet the