

*Oral Questions*

**Some hon. members:** Oh, oh.

**Mr. Speaker:** Perhaps the right hon. Prime Minister would like to proceed with the answer.

**Mr. Mulroney:** Mr. Speaker, *Hansard* did not note the great pride with which the member for Hamilton East said: "I was not a member of the former Liberal government".

**Mr. Wilson (Etobicoke Centre):** But her chief was, Chrétien was.

**Mr. Mulroney:** Mr. Speaker, the Minister of Finance will be back in the House very soon, when he concludes his consultations. He will be advising the government and the House of his intentions.

So far the economic program of the government has brought about the kinds of fundamental changes that we want with low inflation and low interest rates and so on.

I think my hon. friend can look forward to an occasion of supporting these kinds of policies at probably an early moment. I know she will rise in her place and say on behalf of the unemployed: "The time has come to lower interest rates; the time has come to get inflation down and I, the member for Hamilton East, am going to vote against spending—"

**Mr. Speaker:** I think we must move on. The hon. member for Surrey North.

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**HEALTH CARE**

**Mr. Jim Karpoff (Surrey North):** Mr. Speaker, I have a question for the Prime Minister.

A study by the C. D. Howe Institute has confirmed yet again that the spending cuts by this government and by the previous Trudeau Liberals have jeopardized the availability of health care services to Canadians and are making national standards for health care meaningless.

Can the Prime Minister indicate when the federal freeze on contributions to provincial health plans will be lifted and when his government will stop fighting the deficit by sabotaging medicare across Canada?

**Hon. John McDermid (Minister of State (Finance and Privatization)):** Mr. Speaker, I looked with great interest at the report of the C. D. Howe Institute. It is fundamentally flawed.

One of the points it does not take into consideration is the tax points that are transferred to the provinces, but only the cash changes. If the hon. member understood the system, provinces asked some time ago for tax points as opposed to cash. Had those been taken into consideration, the hon. member would have found that total transfers between 1984–85 to 1993–94 increased by some 60 per cent to the provinces from some \$25.6 billion to \$40.5 billion in this fiscal year 1993–94.

• (1445)

When both the tax points and the cash transfers are taken into account the hon. member would find that we have not off-loaded to the provinces but have been, due to the fiscal situation, very generous with the provinces.

**Mr. Jim Karpoff (Surrey North):** Mr. Speaker, federal transfer payments to the provinces for health, higher education and social welfare account for only 20 per cent of the federal budget, yet the cuts to these transfers account for over 40 per cent of the total expenditure cuts.

Why is this government singling out health, education and services to women and children to carry out more than twice the reduction to other programs? Why is medicare being sacrificed for helicopters that we do not need or want?

**Hon. John McDermid (Minister of State (Finance and Privatization)):** Mr. Speaker, what the hon. member is saying is inaccurate. Only the NDP would say that an average increase of transfers to the province of 5.2 per cent per year over the last nine years was a cut. I do not understand that mathematics and I do not think Canadian people do as well.

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**TRADE**

**Mr. Bob Speller (Haldimand—Norfolk):** Mr. Speaker, my question is for the Minister for International Trade.

The Prime Minister told a U.S. television audience that the environmental parallel accord under NAFTA has: "Very little if anything to do with Canada"; it is not important to us. The Americans, however, say that they will pull out of NAFTA unless they get what they want on the environment.