

to continue to exacerbate regional disparity while at the same time the only concrete result of their agenda is to have continuing high interest rates in this country?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I listened very carefully to the comments of the Hon. Member, and I want to point out to him that we took very seriously the need to try to find an appropriate regional balance. Let me quote from the *Cape Breton Post* of last Saturday wherein it said:

Wilson might have chosen many other combinations of taxes and cuts—. Most of the alternative mixtures would likely have turned out worse for the region.

That is not Mike Wilson. That is the *Cape Breton Post*. That is what we have tried to achieve and I think that comment shows we are pretty close to achieving that. But the Hon. Member has criticized four or five different ways that we have taken to address this debt. Does he not agree that we have a debt problem? Does he have any alternatives to addressing that debt problem, or is he going to simply criticize without coming up with any positive alternatives?

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THE BUDGET

REDUCTIONS IN SOCIAL SERVICES

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, my question is to the Minister of Finance. Medicare is Canada's most important social program. Hospitals and the care given to our sick by our health professionals is fundamentally important to all Canadians. The Minister's recent Budget, coupled with the unilateral cut-backs in 1986 in EPF, has resulted in Prince Edward Island receiving \$7 million less, Newfoundland \$34 million less, New Brunswick \$43 million less, and Nova Scotia \$53 million less in the fiscal year 1989-1990.

Will the Minister of Finance explain the fairness of choosing the sick, the elderly, the children and, yes, the poorer provinces of this country to shoulder the burden of his deficit reduction plan?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let me state very clearly and categorically that there will be a substantial increase in the transfers from the federal Government on these programs. It will amount to some \$25 billion over the next five years relative to the amounts over the last five years.

Oral Questions

The Hon. Member understands, I am sure, that 20 years ago 12 cents of every tax dollar was spent on interest costs. That increased to 25 cents for every tax dollar four or five years ago. It has now jumped to 35 cents. The whole purpose of this Budget is to reverse that trend so that we will be able to afford these programs which we understand and agree are very important to Canadians.

REDUCTIONS IN EQUALIZATION PAYMENTS

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, the Hon. Minister of Finance quoted from the *Cape Breton Post*. He should have gone two or three pages further where it said, "The worst Minister of Finance this country has ever had is Michael Wilson".

This Minister talks about increases in EPF while his Budget papers say the exact opposite. Provincial Ministers of Finance say that they are going to get substantial reductions in EPF. Will the Minister give an undertaking today to those provincial Governments that I have mentioned that there will be no closing of hospital beds, no reduction of staff, no reduction of nurses who care for the sick, or the orderlies who care for the infirm, no reductions whatsoever as a result of this Budget as it affects EPF? Or will the Minister do as he did with the Budget leak: Accept no responsibility, show no leadership and when in heat delegate to the poorer provinces?

Hon. Michael Wilson (Minister of Finance): I challenge the Hon. Member to show me where in those Budget papers there is a cut, where in those Budget papers, to use his words, "that what I just said is the exact opposite". He knows he is wrong on that. The rate of growth in these programs is slowing, but \$25 billion over the next five years—

Some Hon. Members: Oh, oh!

Mr. Wilson (Etobicoke Centre): The Hon. Members are laughing at \$25 billion. That is a significant amount of new funding for the provinces—

Mr. Dingwall: That is duplicity from the Minister of Finance.

Mr. Wilson (Etobicoke Centre): He tells me that I am talking from both sides of my mouth. The Hon. Members on the other side say control the debt. Under your Government, the debt went up.