

Oral Questions

deficit position because of this reduction in equalization payments. That province's finance minister has said it shows the direction the federal government is going, the provinces are being squeezed.

When is this government going to stand up for the poorer regions of this country?

Hon. Gilles Loiselle (Minister of State (Finance)): Mr. Speaker, the record of this government stands for what we think about poorer regions of Canada. I will tell the hon. member that the results are what it is all about. This morning, the unemployment statistics are the lowest they have been since 1981.

Some hon. members: Hear, hear!

Mr. Loiselle: How is that for devastation?

Of course, a lot remains to be done and this is what we are proposing to this House by modernizing our fiscal system, modernizing our trade with the free trade agreement, organizing our economy so that the full force and capacity can be there to serve Canadians. The government has a major role to play and is playing it and I am very proud of our decisions, particularly concerning the lower income regions of Canada.

• (1140)

Mr. Chris Axworthy (Saskatoon—Clark's Crossing): Mr. Speaker, the unemployed and the people in the fishery in Newfoundland do not quite agree with what the minister is saying. They and the farmers in Saskatchewan, women, women's groups, native Canadians and the poor are all feeling the cuts in their pocketbooks, and their families are feeling the cuts, too.

How do you have the nerve to tell Canadian families—

Mr. Speaker: I ask the hon. member to put his question.

Mr. Axworthy (Saskatoon—Clark's Crossing): I ask the minister, how could this government possibly have the nerve to tell Canadian families, who cannot make ends meet, that they will be better off with less? How can less be more?

Hon. Gilles Loiselle (Minister of State (Finance)): Mr. Speaker, the responsibility of this government is to ensure that the services the government has to provide to the population are there. The best way to do that is to get our fiscal house and economy in order. There are no short cuts.

I remind the hon. member that in our last budget we were very careful to devise our transfer payments in a way that would protect the poorer regions of Canada. But yet again, we must all tackle the deficit and debt together.

The government has maintained its increased programs at 3.5 per cent over the last five years, while the provinces have been moving up to 7 per cent, 8 per cent, 9 per cent, and in certain instances to 14 per cent. This cannot go on forever. This is money we are taking from Canadians. We have made transfer payments in a way that eastern provinces in particular and lower income people will be better served by our transfer programs.

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GOODS AND SERVICES TAX

Mr. Larry Schneider (Regina—Wascana): Mr. Speaker, my question is to the Minister of State for Finance. At the same time, I would like to offer him my unswerving support for what must be done, namely, the implementation of the goods and services tax.

I realize that in the past the Department of Finance has done a remarkable job in its economic projections, and there is no good reason to believe that this will change.

However, I would like to know the government reaction in the event that the goods and services tax should take in more revenue than is anticipated. I know that the people of Regina would reject these funds being used to increase government spending, therefore I would like to ask the minister to tell us and the people of Regina—Wascana that if extra revenue should occur, will it be put to further reducing our deficit or will it be used for increased program expenditures?

Hon. Gilles Loiselle (Minister of State (Finance)): Mr. Speaker, I would like to tell the hon. member that the government has always said that the GST is an integral part of deficit reduction.