

*Oral Questions*

analysts said then and are saying now, planning for stable debt to GDP ratios during prosperity is not sufficient.

Why would not the next inevitable economic downturn again increase the deficit and once again put the country on the unsustainable path of a growing debt to GDP ratio?

**Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.):** Mr. Speaker, the hon. member's premise is wrong. First, when Michael Wilson brought down his budget his cuts were not real. As the member knows, they were simply cuts from rising reference levels.

Second, Michael Wilson did not do it according to any kind of vision of the country or sense of priorities. They were simply blind cuts across the board.

Third, Michael Wilson never hit his targets and we have.

**Mr. Herb Grubel (Capilano—Howe Sound, Ref.):** Mr. Speaker, Michael Wilson was also in the very fortunate position of having had a debt of only \$250 billion rather than \$550 billion.

The absolute spending cuts of \$10 billion in the budget just about match the expected increases of \$9 billion in the cost of servicing the debt over the projected budget period. The expected revenue increases due to prosperity and tax increases amount to a staggering \$12.7 billion.

Does the minister expect similar spending cuts and revenue increases in the next budget to simply maintain the debt to GDP ratio?

**Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.):** Mr. Speaker, as the hon. member knows, in 1996-97 the debt to GDP ratio will not only stabilize but it will commence a downward track which, may I assure the member, is going to be permanent.

The member has raised a very important question. The debt to GDP ratio is a very important target. It is one that we are very conscious of and we will keep it down.

The member refers to the level of debt that I have to deal with compared to Michael Wilson. There is another difference between Michael Wilson and me. Michael Wilson had the good fortune to take over after a Liberal government. I had to take over after the Tories.

[Translation]

**Mr. Michel Gauthier (Roberval, BQ):** Mr. Speaker, the government did not dare reveal in its budget its real intentions with regard to old age pension reform, preferring to put off yet again a study that was to be published last year.

Would the Minister of Finance confirm that his government intends to reduce old age pension benefits for thousands of Canadians and in fact limit access to the plan for thousands of seniors?

**Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.):** Mr. Speaker, not at all. The answer is a definite "no". What we do intend to do is study the Canada Pension Plan fund with the provinces, and, at the same time I am sure, they will look at the Quebec Pension Plan fund, because it is this fall that the necessary revision will have to be made. It is perfectly natural to look at them all together, with the provinces.

• (1435)

I can assure you and I can assure the hon. member that we intend to protect those who are most vulnerable in our society, our senior citizens.

**Mr. Michel Gauthier (Roberval, BQ):** Mr. Speaker, you understand how surprising it would be if the Minister of Finance were to set up a committee to raise old age pensions. I would be very surprised.

Will the Minister of Finance acknowledge that if he is not revealing the terms of his proposed old age security reform right now, it is because he does not want seniors to know his intentions until after the referendum in QQuebec?

**Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.):** Mr. Speaker, legislation has for a long time included a schedule to review the Canada Pension Plan fund and the Quebec Pension Plan fund every five years. We were not the ones who established the schedule. I repeat again, tell us when you will have the courage to hold the referendum; we will resolve the problem, and then we can go on with building the country.

As you know, there are many issues to be resolved in Canada. The economy has to be managed, and perhaps I should ask the question once again. The great thinker of the great separatist movement, Richard Le Hir, stated that he was not ready to meet Quebec's liabilities as far as the debt is concerned. Is that the position of the Bloc Quebecois? Is there still a difference of opinion?

[English]

**Mrs. Diane Ablonczy (Calgary North, Ref.):** Mr. Speaker, Canadians were promised a plan by the government to preserve and protect our future social security while dealing with fiscal reality. They never received such a plan. Yesterday the budget promised yet another discussion paper from the Minister of Human Resources Development.