

*Oral Questions**[English]***NATIONAL DEBT**

Hon. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, my question is for the Minister of Finance. It concerns the C.D. Howe document.

One of the comments made in the document is that the debt crisis is now a federal-provincial crisis and that in this country we have only one taxpayer, whether federal or provincial. The transfer of federal debt to the provinces through cutbacks and transfer payments does not help.

In light of the fact that the federal government has cut back by billions of dollars in transfers to the provinces over the last number of years, is the federal government planning in its next budget to reverse that policy and keep its commitments to the provinces rather than transferring its debt to the provinces of this country?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, I agree with the observation that there is only one taxpayer. I have been saying that for quite some time. I am glad that the opposition members across the way have picked it up, thanks to the C.D. Howe Institute.

The hon. member says that we have cut transfer payments. That is wrong. It is absolutely wrong. Transfer payments continue to grow. As a matter of fact in the last "Fiscal Monitor" which was just issued for the third quarter of 1992-93, he will see that major transfers to other levels of government have grown by 7 per cent this year and major transfers to persons, 4.8 per cent.

That does not sound like a cutback to me. That is a substantial increase, much larger than the over-all growth in program expenditures.

Hon. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, the House knows that the rate of increase in transfers to the provinces has been cut back by billions of dollars. In Saskatchewan alone this year, offloading will cost my province some \$538 million. That is more than the provincial deficit.

In light of those facts, and this is information that I have from the federal government department, is the federal government willing to reverse its policy and keep its commitments to the provinces rather than jeopardize the credit ratings of the provinces of this country? This is happening not only to Saskatchewan but to many of our provinces.

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, I am pleased that the hon. member clarified his question when he in fact admitted that there were not cutbacks to provincial transfers.

As a matter of fact, there has been some reduction in the over-all growth of program expenses commensurate with the other disciplinary measures that we have had to take upon ourselves in terms of reducing federal government expenditures.

Just for the record in terms of cash payments, transfers to the provinces, in 1984-85 it was cash plus tax transfers something in the order of \$25 billion. That is now about \$39 billion. That does not sound like much of a cutback.

Of course I understand that the provinces, and particularly his home province of Saskatchewan, are facing some very serious financial difficulties. I have met with the Minister of Finance, we have talked and we are attempting to work and co-operate with him.

I would ask the hon. member to go back to his provincial colleagues and ask them to reconsider the harmonization of the GST which would have provided a major benefit to the people of Saskatchewan and provided revenues to the Government of Saskatchewan. It may have been able to capitalize on some of these jobs that are being created through NAFTA and through the free trade agreement.

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PICKERING AIRPORT LANDS

Mr. René Soetens (Ontario): Mr. Speaker, in the 1992 budget the government announced it would proceed with selling some of the surplus airport lands in Pickering. Recently the government held an information session in the riding to explain to the people the process, but lacking from that was a time frame.