

*Oral Questions*

Does the minister accept the C. D. Howe study analysis and is he actively searching for an additional \$7.2 billion in spending cuts?

**Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec):** Mr. Speaker, the study referred to by the leader of the Reform Party was one of four articles in a document that by and large was very good.

The objectives set out in the article by Mr. Richards are certainly objectives we share.

Unfortunately when Mr. Richards did his study he did not take into account the measures that we did in the February 22 budget and as a result his study is based on a set of numbers which are no longer valid.

**Mr. Preston Manning (Calgary Southwest):** Mr. Speaker, my supplementary question is for the Minister of Finance.

Two big sources of uncertainty are driving interest rates up, undermining confidence in the dollar and shaking investor confidence. One is uncertainty about excessive deficits. The other is uncertainty about Quebec.

• (1425)

The Prime Minister says that little can be done in the short term to control uncertainty over Quebec, but surely more can be done to control uncertainty over the deficit. It is the controllable factor.

Does the finance minister agree that the growing uncertainty over Quebec now gives him an added reason for coming to his colleagues and coming to the House and demanding stronger action on the deficit and the debt? Is he prepared to do so?

**Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec):** Mr. Speaker, I have made it very clear, as has the Prime Minister, that as a government we take our deficit targets very seriously. We are prepared to take whatever action is required in order to hit them. That is the commitment of the Prime Minister; it is the commitment of the government and it is a commitment on which the House can rely.

What adds to the uncertainty is the fact that over the last 10 years governments have not hit their targets. We think it is very important that a government hits its targets, and we are going to hit our target.

I certainly share the view of the leader of the Reform Party that the country's excessive indebtedness weighs heavily on it and is a cause of some uncertainty. I also share the view of the Prime Minister that the irresponsible statements made by certain members of the Bloc Quebecois and the leader of the Parti Quebecois are doing a great deal to damage our ability to create jobs.

**Mr. Preston Manning (Calgary Southwest):** Mr. Speaker, we do not disagree with the fact that one of the government's problems is created by the uncertainty generated by the sovereignist option. I suggest that one of the government's bigger problems—

**An hon. member:** The separatist option.

**Mr. Manning:** One of the government's bigger problems, Mr. Speaker, is that it does not really have a strong mandate from the public to cut the deficit to the extent that it should be cut. The government did not seek that mandate in the 1993 election. It downplayed the seriousness of the deficit and now it is paying the price.

Do not the growing uncertainty and the need to address it more seriously give the minister an additional basis now to go out and rally public support for deficit fighting? In other words, is there not now an opportunity to go out and get the public support he did not get during the election to tackle the deficit in a new way?

**Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec):** Mr. Speaker, we certainly have a mandate to clean up the nation's finances. The Prime Minister made it very clear throughout the election campaign that our interim goal was a deficit target of 3 per cent of GDP within three years and that our ultimate goal was to eliminate it. That is what we said to the Canadian people and that is what we are going to do.

At the same time we also made it very clear, unlike the Reform Party, that we understood the economy is complex and there are many ways to approach the objectives. Cutting government expenditures is not the only way. Nor is it a way that will do it on its own.

What must be done if we are going to eliminate the deficit is to put Canadians back to work, and that is what we are going to do.

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[Translation]

#### INDIAN AFFAIRS

**Mr. Michel Gauthier (Roberval):** Mr. Speaker, regarding the situation in Kanasatake, the minister of Indian affairs indicated that he had no intention of paying the three million dollars asked by chief Jerry Peltier as a precondition to negotiating. It appears that, instead, the minister is about to acquire some land from the Oka municipality which he will then give to allow for the expansion of the cemetery.

Will the minister confirm that the government is about to acquire that land from the Oka municipality, and can he tell us how much it will cost?