

Oral Questions

In any case, we had to be fair in our budget. We could not cut federal government's operating expenditures systematically and not cut transfer payments to provinces. It is only a matter of treating all government programs fairly.

Hon. Lucien Bouchard (Leader of the Opposition, BQ): Mr. Speaker, the Prime Minister said he tried to be fair in his budget. I wonder if he was thinking of Quebec when he said that, because criteria in documents of the Department of Human Resources Development already indicate that Quebec will bear the brunt of transfer payments reductions, with 41.7 per cent. Is that fair? Quebec is being taken to the cleaners.

Mr. Loubier: Yes, 41 per cent. Some fairness. Talk about fairness.

Mr. Bouchard: How can the government display that kind of arrogance, given the duplicity of its present attitude, on the one hand, proclaiming its determination to maintain the principles of universality and accessibility, and on the other, drastically cutting its contribution to programs?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, program spending is being reduced at all government levels. Last December, if I am not mistaken, members of the present Quebec government, the opposition leader's friends, cut \$600 million from health programs. We are doing the same, because cuts are necessary and all levels of government must benefit from those cuts.

• (1420)

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Mr. Speaker, in his budget, the finance minister announced that all transfer payments to provinces would be rolled into a single comprehensive transfer called the Canada social transfer. He set at \$7 billion the amount of additional cuts in transfer payments in the next three years, but he did not specify how those payments would be distributed in 1997 and subsequent years.

How can the finance minister decide on such drastic cuts in transfers and casually postpone discussions with provinces?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, it is not a question of putting off the discussions. We are willing to initiate them tomorrow if the provinces are ready. This is quite clear. In fact, we said so during our meeting with the finance ministers. I invited the provincial finance ministers to join me immediately after the budget speech, and I am ready to meet them anytime they want. There is no question of postponing the discussions.

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Mr. Speaker, by postponing, as the minister says in the budget, the

negotiations with the provinces on the distribution of transfer payments, is the Minister of Finance trying to conceal from Quebecers before the referendum the negative impact of the new Canada social transfer because it is Quebec which will lose the most, 41 per cent of the transfer payment cuts in 1997?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, to begin with, the figures mentioned by the member are totally false.

Second, if you want to know, the cuts in Quebec, in 1994–95 and 1996–97, will amount to \$350 million. These are not ridiculous figures like the ones mentioned by the member.

As for the discussions and the fact that he believes we will postpone them until after the referendum, we said in the last budget that we would inform them instead of surprising them like the former government did.

Is the member suggesting that we should proceed immediately? I believe Mr. Campeau will not be very satisfied with that.

Third, tell us when the referendum will be held, let us hold it and then we will be able to solve our problems.

[*English*]

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, in yesterday's budget the Minister of Finance pledged to get the federal deficit down to \$24.3 billion by 1997.

Meanwhile officials of the Department of Finance have been predicting to reporters and the financial markets that the deficit will then be reduced to zero by the year 2000.

However, yesterday's budget was silent on the all important question of how the minister proposes to get from a deficit of \$24 billion to zero in three years.

Will the minister tell Canadians and tell the House today how he plans to get the deficit from \$24 billion a year to zero: by increased taxes, by cuts to social programs or by both?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, I have said countless times in this House that in terms of government by far the best way of hitting targets is through a series of short term targets that keep government's feet to the fire.

That is by far the best kind of spending control that any government can have. It is the reason that we hit our target this year. It is the reason that we are going to hit our target next year and it is the reason that we are going to hit our target the year after.