

• (1430)

As you know, the Quebec minister of Industry himself, Mr. Tremblay, said yesterday that he was still hoping to negotiate with the automakers and that he intended to contact them. In fact, I think he had already done so. Therefore, we should wait for the outcome of the discussions between Mr. Tremblay and those companies.

Mr. Gaston Pélouin (Brome—Missisquoi): Mr. Speaker, does the minister agree that the closure of the car assembly plant in Bromont will put Quebec at an even greater disadvantage, compared to Ontario, regarding subcontracting in the auto industry, and that a real strategy must be implemented to correct this situation?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, I already said that I was very disappointed by Hyundai's decision. I am very familiar with the situation—in fact, I live in the hon. member's constituency—and I know the region very well. I fully agree to co-operate with the Quebec government and the municipality of Bromont to truly find a solution to this situation.

The red book, to which the hon. member just referred, includes a plan to fight unemployment, which certainly applies to the Eastern Townships. I hope to report soon on the discussions with the Quebec government on job creation.

* * *

[English]

THE BUDGET

Mr. John Williams (St. Albert): Mr. Speaker, my question is also for the Minister of Finance.

The minister has stated repeatedly that his budget is a two-part strategy and that severe cuts are coming next year. At the same time the Prime Minister maintains that all proposed cuts are already on the table.

There are no spending cuts in the budget for next year which could be described as severe, and on this basis can the Minister of Finance tell Canadians if severe cuts are coming, and if so why is the Prime Minister not aware of them?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, what the Prime Minister said is exactly what I said in the House when the budget was presented, that the cuts and the actions taken in the February 22 budget in and of themselves will lead to a reduction of the deficit, bringing it to the point of 3 per cent of GDP in three years.

At the same time in the budget, and the Prime Minister repeated it, there were a series of measures regarding the

Oral Questions

re-examination of the way that government operates. Some are led by the Minister responsible for Public Service Renewal, a number of others are led by the Minister of Human Resources Development, and a series of other ministers, including the Minister of Transport, is going to continue to lead our efforts to clean up the nation's finances.

That is what the Prime Minister said, that is what I said, and that is our position.

Mr. John Williams (St. Albert): Mr. Speaker, the financial markets recognize that there must be severe cuts in spending if Canada is to avoid a severe financial crisis. Rising interest rates indicate that they expect the government to renege on their second round of cuts.

The credibility of the Minister of Finance is at stake, and his audience extends well beyond the House. Will the minister assure us that the deep spending cuts are coming and will be imposed?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, we said very clearly that the February 22 budget was the first stage of a two-stage process.

We had been in power for slightly over 100 days when we brought in our first budget and what we were doing was reviewing all government operations. That review is under way and its results will be manifest not only in the next budget but in announcements that will be made by ministers over the course of the next year and in periods following.

• (1435)

We were elected on two bases, one to create jobs and one to clean up the nation's finances. There is no doubt in my mind that at the end of our mandate, the Canadian people will find that we have been faithful to our word.

* * *

[Translation]

SOCIAL PROGRAMS

Mrs. Francine Lalonde (Mercier): Mr. Speaker, my question is for the Minister of Human Resources Development.

After the parliamentary committee responsible for consulting Canadians on social programs had to hand in its report on Monday so that it could be tabled in this House on Friday, and after the parallel consultations held yesterday, Tuesday, in Montreal were denounced by most of the invited groups, today the Minister of Human Resources Development announced, with the Premier of New Brunswick, an income security program for people between 50 and 65 who live in that province.

Does the minister not agree that the first phase of consultations on social programs was a sham?