

## GOVERNMENT FINANCES

**Mr. Yvan Loubier (Saint-Hyacinthe—Bagot):** Mr. Speaker, a study published yesterday by the C.D. Howe Institute concludes after a thorough analysis that the Liberals' budget strategy is inadequate for reaching their goal of lowering the federal deficit to 3 per cent of GDP.

My question is for the Minister of Finance. How does the Minister of Finance react to this study, which totally calls into question his budgetary and fiscal objectives and again singles out his inability to properly control the government's finances?

**Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec):** Mr. Speaker, like the hon. member, I have not had time to read the report which just came out this morning. I have read summaries.

It says that it is dangerous to let the deficit and debt go out of control and we agree. That is why our goal is to reduce it to 3 per cent of the gross domestic product in three years. It says that public-sector salaries must be controlled and we agree. That is why, under the leadership of the Minister responsible for Public Service Renewal, we are really examining all government spending. Although I have not read the report, I must say that we fully agree with the conclusions on the effects of the debt and the deficit.

**Mr. Yvan Loubier (Saint-Hyacinthe—Bagot):** Mr. Speaker, the institute's report indeed says that the measures in the finance minister's budget are all totally inadequate and totally ineffective for reducing the deficit.

I ask the Minister of Finance if, instead of taking a wait-and-see attitude to the disastrous situation of the Canadian government's finances, he does not agree that he must urgently eliminate duplication and inefficiency and immediately eliminate outrageous tax evasions such as family trusts. It is not social programs that should be attacked in the cowardly way you are attacking them.

**Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec):** Mr. Speaker, one reason we referred the whole issue of family trusts to the finance committee is that the Bloc Quebecois's finance critic suggested it. Unfortunately, we followed his advice.

[English]

I would say something else. It is quite interesting that the Bloc Quebecois which claims to have some degree of compassion—it has not demonstrated it so far—cites the C.D. Howe report which came out this morning but has not cited the report that came out on the tremendous causes of the relationship between unemployment and the deficit that came out last week, the study by Diane Bellemare.

## Oral Questions

Why is it that the Bloc Quebecois is prepared to talk about deficit but refuses to talk about unemployment?

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• (1425)

## PROVINCE OF QUEBEC

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

**An hon. member:** Oh, new tie, new haircut, new suit.

**Some hon. members:** Oh, oh.

**The Speaker:** Order. The hon. member for Calgary Southwest.

**Mr. Manning:** Yesterday in Montreal the Prime Minister acknowledged that uncertainty concerning Canada's future is having adverse effects on the economy. In addition to growing uncertainty about the government's ability to manage the deficit and the debt, there is this increasing uncertainty caused by the debate over Quebec sovereignty.

Rather than just acknowledging or complaining about this uncertainty, does the government have any vigorous new initiatives to propose to reduce these uncertainties concerning Canada's future?

**Right Hon. Jean Chrétien (Prime Minister):** Mr. Speaker, the most suitable reply—

**Some hon. members:** Oh, oh.

**Mr. Chrétien (Saint-Maurice):** —is to ask the leader of the Reform Party to help this Parliament to be a good Parliament, to offer a good government.

The people of Quebec know very well, as they read last weekend as we all did with joy, that of all the countries in the world the United Nations said that the best place to live is Canada. That is the best argument.

**Mr. Preston Manning (Calgary Southwest):** Mr. Speaker, I have a supplementary question.

Yesterday the Prime Minister also said that if the Quebec people were asked a clear question on separation in a referendum, using words and terms which clearly speak of separation, they would not support the separatist option.

Does the Prime Minister have in mind the wording of the question which he would like the Quebec people to answer?

**Some hon. members:** Oh, oh.

**The Speaker:** Order. I would point out the question is hypothetical. Perhaps the hon. member could rephrase his question.

**Mr. Manning:** Mr. Speaker, I am simply referring to words that the Prime Minister used yesterday in Montreal. He said that the wording of the question was all important. If the question is worded right, Quebecers would make the right decision. Could he tell us in his judgment—