

Oral Questions

claims the answer to a lot of our problems is to bring in gun control because that is what Canadians want.

If this government is truly listening to what Canadians want then surely it is hearing the majority cry out for such things as consecutive sentencing, non-release of violent offenders, and the return of capital punishment. Or, is it only hearing the bleeding heart segment of our society? With the tinkering of legislation which is presently going on I would suggest the bleeding hearts are the only ones who are being heard.

As more policemen die, violent crime continues to rise and young offenders get bolder and bolder, very soon the voice of the majority will be heard. What will the minister do then?

ORAL QUESTION PERIOD

[Translation]

THE BUDGET

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, Saturday's *Globe and Mail* reported that the Minister of Finance asked his colleagues to accept new spending cuts in order to counteract the effect of rising interest rates. It seems that at a meeting on the weekend, the cabinet was split on the minister's proposal, with a number of ministers preferring to wait and see before making additional spending cuts.

Does the Minister of Finance intend to table a supplementary budget in the fall to reduce government spending by at least \$3 billion, in order to counteract rising interest rates and keep the deficit down to \$37.2 billion as announced in his budget?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, the cabinet is not split. We had a very useful meeting on the weekend. I have regular meetings with my colleagues to discuss ways to make government more effective, and I think we are seeing the results of those meetings.

As I said in this House last week and the week before, we do not intend to bring down a minibudget in the fall. As we said in the budget, we intend to present our economic forecasts in order to have a basis for consultation on the budget to be tabled next February.

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, I am inclined to conclude from what I read in the *Globe and Mail* and from the minister's reply that his proposal for additional spending cuts was defeated by his Cabinet.

I would like to ask the minister more specifically whether he would admit that he is primarily responsible for rising interest rates and whether he realizes that these increases are a direct

result of the severe judgment passed by a financial community that is dissatisfied with the spending cuts in his last budget.

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, there are several reasons for the increase in interest rates. First of all, this is an international phenomenon. We are seeing this not only in Canada but elsewhere as well. Of course, Canada's level of debt does not help either.

However, if we look at the past two or three weeks, clearly the rise in interest rates is due mainly to the irresponsible statements made by Jacques Parizeau and the Leader of the Opposition.

• (1420)

Hon. Lucien Bouchard (Leader of the Opposition): Instead of taking political cheap shots, I would urge the Minister of Finance, through you, Mr. Speaker, to behave more responsibly, and more specifically, I would ask him to answer the following question: If, as the minister claims, political uncertainty has caused the rise in interest rates we are experiencing today, then why does this increase not affect securities issued by the Government of Quebec and Hydro Quebec, and why does it affect securities issued by the federal government?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, probably because Quebec has been spoiled by a Liberal government for nine years, and not Canada.

Some hon. members: Hear, hear.

[English]

Anyone who has any doubt as to the irresponsibility and effect of the statements by the Leader of the Official Opposition and the leader of the opposition in Quebec, only has to look to the statements of people from Nomura Securities from Japan, from the United States and from Germany. They indicate those statements are putting not only the political but the economic structure of this country in doubt.

We are going into a very difficult time. I ask the Leader of the Official Opposition and through him his colleague in Quebec to understand that hundreds of thousands of Canadian jobs are put at stake every time they make an irresponsible statement.

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[Translation]

GOODS AND SERVICES TAX

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot): Mr. Speaker, the Liberal Party was elected on a promise to abolish the GST. In fact, this was one of the main commitments in the red book. Moreover, on May 2, the Prime Minister told this House, in