

*Oral Questions*

When the government brings down that budget the financial markets will see very clearly this government has kept faith with what it said in its pre-election campaign and in the last budget.

We have repeatedly said that we will fulfil our obligations, we will live up to our commitments, we will hit our targets. In terms of this year's deficit, I am here to tell you we have done a hell of a lot better.

**Mr. Preston Manning (Calgary Southwest, Ref.):** Mr. Speaker, the minister and the members opposite just do not get it. When one of the world's largest bond rating agencies will not wait two weeks to get the minister's budget, it is telling him that his targets are not only unbelievable, they are unacceptable to the money markets. That is the message they are trying to send to the minister.

• (1425)

Will the minister simply accept the fact that his deficit reduction targets are inadequate and commit to eliminating the deficit within the life of this Parliament, which is what the money markets are asking?

**Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.):** Mr. Speaker, last year in the months that followed the budget the leader of the third party kept standing up and saying that we would never hit our targets, that they were too tough, that we would never get there, that the sky was about to fall, that Chicken Little had a lot of trouble.

Why at least does the leader of the Reform Party not have the decency to stand up today and congratulate the government for having done what he said we never could do?

**Mr. Preston Manning (Calgary Southwest, Ref.):** Mr. Speaker, to congratulate the minister on hitting that target would be like congratulating a high jumper for getting over the bar when it is at three feet.

We are wondering whether the minister and the government ever learn anything from the experiences of others. The government and this minister are going down exactly the same fiscal path as the NDP Government of Ontario. First it denies the situation is serious, then a half-hearted attempt at tax increases to deal with it, then in the final analysis come to cut spending after it is too late.

Is it really the minister's ambition to become known as the Bob Rae of federal politics?

**Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.):** Mr. Speaker, last October the government provided a very accurate analysis of this country's financial situation. It was an analysis praised by the financial markets. It was an analysis praised by the great majority of economists. It was an analysis praised by those of the Reform

Party who understand economics, who basically said it was an accurate analysis. Is he about to now deny that which his colleagues said?

Let me tell the House something. I know it is hard for this member to accept some good news. This country is leading the G-7 in growth, leading the G-7 in employment, leading the G-7 in controlling inflation.

For the love of heaven let me say today, manufacturing shipments in this country were up 1.6 per cent in December and 12—

**Some hon. members:** Hear, hear.

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[*Translation*]

**FEDERALISM**

**Mr. Michel Bellehumeur (Berthier—Montcalm, BQ):** Mr. Speaker, my question is for the Prime Minister.

The government's pre-budget public relations exercise, including the speech made by the Minister of Foreign Affairs, is an attempt to convince Quebecers that the government is about to decentralize the federal regime.

Does the Prime Minister agree that true decentralization requires a transfer of tax resources, including tax points, so that the provinces can take over from the federal government?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, I would like to be in a position where someone else would collect taxes on my behalf, so that I would not have to do it myself. Tax collection is a part of political responsibility. If they want us to decentralize, fine. However, they were happy to let us collect taxes, and take the blame for it, and then get the money from us. In the context of responsible government, it would be better if everyone collected his own taxes. The situation would be clearer for everyone.

**Mr. Michel Bellehumeur (Berthier—Montcalm, BQ):** Mr. Speaker, that is precisely what we are asking, namely that the federal government withdraw from these tax fields. We will do the job ourselves.

Does the Prime Minister agree that this renewed Canada, which he is predicting, is nothing more than an attempt to hide the fact that the federal government continues to dump the costs of social programs on the provinces?

• (1430)

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, I can see that the Bloc members are in disarray because they realize that our flexible federalism approach is working very well. If they knew a bit about history, they would know that, a few years ago, the federal government collected over 60 per cent of the taxes in this country, while incurring close to 60 per cent of the expenditures.