

Oral Questions

I remember some facility in Labrador was closed a couple of years ago. It had the name eagle in it. Perhaps this is the one. Certainly I will take notice of the question and get back to the hon. member.

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THE BUDGET

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, today the provincial finance ministers are meeting with the federal finance minister to discuss the federal budget.

At least half the provincial finance ministers are doing a better job at balancing their budgets than the federal government. One of their greatest concerns is that the federal government will simply offload its own debt problem on the backs of the provinces, particularly those that have managed their finances efficiently.

My question is for the Prime Minister. What assurances could he give to fiscally responsible provinces that their reward is not simply going to be an offloading of the federal debt?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I just want to tell the member that he should wait to see the budget. We have set some extremely clear goals and we will meet them all.

[Translation]

Since I have the floor, I would like to applaud everyone who voted in the by-elections yesterday and all of the candidates from all parties who ran. In particular, I would like to congratulate the three Liberals who won.

[English]

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, yesterday Liberal Premier Clyde Wells of Newfoundland said that the best thing the federal government could do would be to stop direct spending in such areas as education, health and forestry. He argued that all these services could be better provided at less cost by the levels of government closest to the public.

Will the Prime Minister follow the Newfoundland premier's advice and give the provinces real control over these areas including appropriate tax points? In other words, will he make clear his government's philosophy on decentralization including the transfer of tax points to the provinces?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I do not know how the hon. member's arithmetic works. If we do not spend and we give tax points, the deficit remains at exactly the same level. If we are not collecting and we are not paying, it is exactly the same. You should have checked that before asking the question.

The Speaker: I remind all hon. members to address the Chair.

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, the Prime Minister's replies are hardly inspiring confidence. The provincial premiers have joined thousands of Canadians in saying no to tax increases, no to new taxes, and no to tax grabs in the name of tax equity.

As provinces like Alberta, New Brunswick and Saskatchewan reduce their deficits their citizens are looking for tax relief. The last thing they need to see is a tax grab by a fiscally irresponsible federal government.

What assurances could the Prime Minister give to the citizens of those provinces that their reward for practising fiscal responsibility is not going to be a tax grab by a fiscally irresponsible federal government?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I said the Minister of Finance would bring in a budget very soon. It will be a very responsible budget.

• (1425)

When we talk with the provinces they know that the federal government has to do what is needed to control its deficit. They will benefit if we control our deficit because the Canadian bond rating will be better for everybody. They have an interest just like us that we do very well in the next budget.

Everybody knows that 3 per cent of the GDP for the deficit is a very reasonable level. I had a discussion yesterday with the chancellor of Austria who has exactly the same goal as we have in Canada.

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[Translation]

TRANSFER PAYMENTS

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Mr. Speaker, today, two weeks before budget day, the Minister of Finance is meeting his provincial counterparts. They will probably discuss further reductions in transfer payments to the provinces for social programs financing.

If I understood correctly what the Prime Minister said to the leader of the Reform Party just now, the government is really determined to offload its debt problems on the backs of the provinces, since he just told the leader of the Reform Party that a transfer of responsibility for post-secondary education, health and social assistance would not entail a concomitant transfer of tax points to the provinces. That is what we understood from the Prime Minister's reply.

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, if the provinces asks us to stop paying, we will be glad to oblige.

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Mr. Speaker, I certainly did not expect an answer like that to a serious question, but I will control myself for your sake.