

Oral Questions

are active in this area and should continue their programs, in order to help young people find jobs.

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, the problem is that the Quebec government does not share the federal government's views and intends to bring a formal challenge before the Supreme Court to protest this new intrusion by the federal government in areas under provincial jurisdiction.

I want to ask the Prime Minister, and I hope he will answer himself this time around, since he made a commitment to effective management and reducing overlap, why he has reversed his policy by launching a federal offensive on education and manpower training which increases the overlap and duplication he wanted to get rid of?

● (1420)

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal): Mr. Speaker, as I pointed out, this is not another intrusion in an area under provincial jurisdiction. Our programs are not like that. The two programs I mentioned, the youth program and the apprenticeship program, are about promoting youth employment and not about education, strictly speaking. Furthermore, they complement provincial programs.

Constitutionally speaking, when a problem is national in scope, like the problem of funding jobs for youth, the federal government shares and will continue to share jurisdiction with the provinces in dealing with this kind of problem.

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, we have just witnessed a blatant example of bureaucratic obtuseness.

The fact is that the federal government will duplicate what is already being done and spend money unnecessarily, so that we can hardly expect a good return on this investment. I want to ask the Prime Minister whether he has now made it his policy to provoke court challenges on all fronts?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, as the Minister of Intergovernmental Affairs said earlier, we have a national responsibility in the area of job creation, and it is one of this government's priorities to find ways to help youth find jobs.

If the Leader of the Opposition spent any time reading the Liberal Party's platform in the red book, he would see that it is all there, and the people voted for this platform, and that is why we are governing the country today.

TRANSFER PAYMENTS

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot): Mr. Speaker, yesterday the Minister of Finance clearly stated his intention to make massive cuts in transfer payments to the provinces in his next budget. Failing agreement with the provinces, the Minister of Finance plans to impose his solution regarding the cuts to be made. The freeze in transfer payments is already saving Ottawa \$1.5 billion over two years.

Are we to understand that the Minister of Finance has given up on trimming federal operating expenditures and has chosen to reduce his deficit on the backs of the provinces, without any compensation, through a massive reduction in transfer payments for health and education?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, what I said is that the Minister responsible for Public Service Renewal intends to review all federal programs and that review is already under way. So we are certainly looking at our own spending.

I would like to quote a document of which I am very fond, the budget: "It is essential that social security reform leads to programs that are more affordable and work better for Canadians. For the federal government, transfers must be no higher after reform than they are now. We want this reform process to be a co-operative one. We are providing a two-year period of predictability and modest growth in social security transfers to provinces while reform goes on. As promised by the Prime Minister, we will build towards a five-year period of stability in transfers."

That is what I said in the budget, that is what I said yesterday, that is what I discussed with all provincial finance ministers: co-operation. They agreed on it in January.

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot): Mr. Speaker, how does the Minister of Finance explain that for lack of money, he is cutting transfers to the provinces, but at the same time his government has chosen to intervene brazenly, to say the least, in fields of provincial jurisdiction like youth and training programs. Does he not agree that when you have no money, you should mind your own business?

[English]

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, the member refers to the fact that we are cutting—I cannot remember the expression that he used—our transfers to the provinces.

In fact, in the month of January, we settled equalization payments on a basis that had been deferred for a number of years by the previous government. The payments were very generous to the seven provinces that were receiving them.