

Oral Questions

As we redesign DIPP eventually this will deal with this issue in a way that will satisfy most of these industries.

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• (1125)

THE DEFICIT

Mr. Ray Speaker (Lethbridge): Mr. Speaker, my question is for the Minister of Finance.

The budget presented yesterday in the province of Ontario is evidence that the provinces and the federal government can no longer operate in budget isolation of each other.

This government is initiating through the Minister of Human Resources Development a national strategy on social reform. The Prime Minister is chairing a national forum on health care. Is it not time for the federal government in consultation with the provinces to initiate a national strategy on deficit reduction?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, certainly the thrust of the hon. member's question is one we would agree with completely.

As the member knows, at the first federal-provincial finance ministers meeting we discussed that very subject and at the second meeting in Halifax we put a great deal of meat on the bones. In fact we want to develop a common effort between us toward reducing the terrible burden of deficit and debt that the nation suffers from.

We recognize very clearly that there really is only one taxpayer. There is one Canadian who shoulders the burden of federal, provincial and municipal debts. We intend to deal with it jointly.

Mr. Ray Speaker (Lethbridge): Mr. Speaker, in light of the hon. minister's answer, I ask the minister the following:

First of all, what are the targets and objectives that the minister is establishing for the federal government along with the provinces in terms of a deficit reduction strategy?

Second, in co-ordination with that question, is the minister prepared to make this the number one item on the agenda of the finance ministers meeting in June? Out of that meeting will there come specific targets and objectives not only for the federal government but the provinces as well?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, the hon. member knows the federal government's point of view is that we have explicit deficit reduction targets.

We are certainly prepared, as we have done at the previous two meetings, to have that on the agenda. I can assure him it will be on the agenda for the meeting that will be held in June. Depending upon those discussions, if we are able to come up with national objectives, this is one Minister of Finance who would certainly support the concept.

Mr. Ray Speaker (Lethbridge): Mr. Speaker, in the government's plan for deficit reduction one of the objects is to reduce the transfer payments to provinces. The minister knows the consequences of doing that.

First of all, we offload part of the federal deficit problem on the provinces. Second, by removing funding from the provinces in terms of transfers without easing the obligation in terms of funding services, we create a problem for the provinces.

Will the minister deal with that question in full co-operation and full discussion with the provinces so that the provinces know what the actions of the federal government will be? They could therefore plan on a longer term basis their deficit reduction programs in co-operation with the federal government.

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, that is exactly what we did at the January meeting. It is precisely what we did in the budget.

At the January meeting I notified the provinces that we would not be unilaterally shifting debt on to them as previous governments had done simply in advance of their budgets.

We told them there would be a moratorium of two years under which we would attempt through the good auspices of the Minister of Human Resources Development to renegotiate the whole fabric of our social programs. Therefore what we would really end up with would be more efficient programs, more cost effective programs. These programs in the end would not only save the federal government money, but would save the provincial governments money because they would be far more efficient.

In other words, our goal is not to shift the burden on to the provinces; it is to give Canadians better service at a better price.

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• (1130)

[Translation]

MIL DAVIE SHIPYARD

Mr. Antoine Dubé (Lévis): Mr. Speaker, my question is for the Minister of Transport.