

Oral Questions

I repeat to the hon. member that it is important to get to the fundamentals. A long-term low interest rate is the basis for long-term sustainable growth in bringing inflation down and keeping it down. That has had a very positive effect in terms of increasing our productivity and of increasing our profit margins. That is the key to reinvestment and the creation of jobs in the future.

Those are the fundamentals that have to be in place. We are going through that painful restructuring and adjustment process. Clearly, there are positive signs that are occurring, for example, the merchandise trade and the improvement in the job picture. As the budget policies take hold, further evidence of that will be seen.

[*Translation*]

Mr. Alfonso Gagliano (Saint-Léonard): Mr. Speaker, my question is for the minister of employment.

Statistics Canada just confirmed 91 per cent of Canadians in a recent poll think the recession is not over. Unemployment in the Montreal area rose to 13 per cent in May. The rate also went up in Chicoutimi, Jonquière, Quebec City, Trois-Rivières and Sherbrooke.

Why does the government continue to pursue economic policies that have quite simply failed to create jobs for the residents of major cities in Quebec and elsewhere in Canada?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Mr. Speaker, I think that the hon. member should say clearly and precisely what he means.

The government has implemented economic policies to create a climate that would lead to the creation of permanent jobs. If the hon. member argues that we should use the approach his party cherished for decades of throwing money at problems by creating fictitious jobs with taxpayers' money, that is not the solution we are considering.

If the hon. member would look at the real situation resulting from the economic policy, the lowest interest rates in 20 years, the lowest inflation of all industrialized countries, all these factors will lead to private sector investment that will result in permanent employment in the long term. That is what Quebecers want.

Mr. Alfonso Gagliano (Saint-Léonard): Mr. Speaker, this government was elected in 1984 with promises of immediate job creation. After all this time we are in an unacceptable situation.

In May, a thousand jobs were lost in Sherbrooke and another thousand in Trois-Rivières. In the Montreal area alone, 12,000 jobs were lost in May, Mr. Speaker.

Will the government finally accept the program put forward by the Liberal leader of working with the municipalities to give employment to all these 14,000 families that lost their jobs in May alone?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Mr. Speaker, I would like the hon. member to pay attention. When he tells us about the Liberal Party's famous plan, I remember that in January, he submitted this Liberal proposal to us. Under it, \$125 million more would have been spent to train Canadians and give them the skills they need to hold new jobs.

We rejected it because we invested \$450 million more in this key sector of the economy, namely our workers' skills. We rejected the Liberal proposal out of hand in favour of something much better, to the benefit of Quebecers and all Canadians.

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[*English*]

PRIVATE FAMILY TRUSTS

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, in 1972, the Liberals eliminated the federal inheritance tax and brought in a 21-year tax exemption for private family trusts. That 21 years is almost up, with these trusts to be finally taxed on January 2, 1993. Estimates of how much money exists in these trusts run as high as \$70 billion.

• (1140)

I want to ask the Minister of Finance if he would show he is serious about reducing the deficit and the equitable sharing of reducing that deficit and commit now not to extend this exemption so that the tax is collectable on January 2, 1993, from these trusts and goes either toward eliminating the deficit or toward the kind of job creation programs that have been suggested in the House today.