Mr. Speaker, on a point of order in midstream here. It is somewhat distracting to have a member carrying on a conversation with one of the pages at his feet. Is it okay for me to proceed?

As a result of the free trade agreement, some 350,000 additional unemployed were generated as a direct result of a government that saw the free trade agreement as an appropriate initiative within the context of a neo-conservative agenda. However, the over-all result is obvious. If we have unemployment then we have people who are not paying taxes. If we have closed factories then we have businesses that are not paying taxes. Furthermore, if we have a situation of unemployment then government has to pay out a good deal in terms of social support systems of various sorts to those who have become unemployed and that is a burden.

In fact, for every unemployed individual, $17,000 in costs are incurred. If we look at the level of unemployment right now $27 billion is taken out of the coffers of the government.

What is clear is that we are confronted with a situation in which the government is attacking social programs and we have various Conservative candidates contesting with one another to see who can propose the sharpest cuts in medicare, in unemployment insurance and in our social programs which have benefited Canadians.

This neo-conservative agenda, which did not achieve so much success before the Depression, continues to repeat the mistakes of the Depression.

• (1645)

The last time corporations and international financiers had so much power was just before the Depression. That era was also the last period during which we did not have the kinds of social programs that we have now to support those who have suffered as a result of the excesses of international financiers and corporations who then, as now, have the freedom to go where they choose for the lowest wages, weakest social programs, poorest health and environmental standards are poorest and where the tax burden is the least for those corporations. It wants to complete the story.

The consequences are inevitable. We see it around the world. It is that this approach contains within it the seeds of its own destruction. If this continues—the transnational corporations being able to go where they want for the least cost, least burden and least responsibility—then who will buy their products? Who will protect them against the masses of unemployed, powerless, excluded and alienated?

The deficit on the one hand is a result of a policy of favouritism that ignores the responsibilities of nations. It is supported by trade arrangements that seem to say that governments have no responsibility and that corporations will not address their responsibilities. The deficit fundamentally is a problem of revenues and it is a problem of unemployment. It is a problem of an arrangement that makes it impossible for the government, that ought to serve people, to act in ways which will serve people.

If there is to be an answer to it then it is not to be found in a continuation of the policies of this government and it cannot be found in the policies proposed by the Liberals. The Liberals are part of the problem. It was the Liberals who began the deficit and the neo-conservative agenda continued by this government.

There must be a change and that change is to be found in a renewal of the social democratic approach which recognizes that if we are going to have prosperity then it has to be on the basis in this new global economic world of empowering people. It has to be based on investment in our nation. It has to be based on the kinds of measures that the New Democratic Party has specifically proposed in order to put people back to work.

Here is what we will find if all of our program is implemented. The deficit will cease to be a problem for exactly the reasons that we outlined earlier. People will go back to work. Revenues will be once again generated. The cost to government of unemployment will be eliminated. To speak of that, it has to involve an abrogation of the free trade agreement. It has to involve a setting aside of NAFTA. It must involve changes in monetary policy. It must involve a decrease in interest rates because each decrease in interest rates generates jobs and at the same time it also cuts back on the deficit.

Today, according to the government's own papers, the deficit contributes directly to the level of interest rates. The deficit is the cost of paying the interest rates on the debt.