

Adjournment Debate

Cost reductions of this nature will ultimately benefit Canadian exporters as they help Canadian rail carriers to remain financially viable and thus, capable of providing rail service at competitive prices.

The minister and his government support the efforts to assist Canadian shippers to be competitive in U.S. markets.

[*Translation*]

THE ECONOMY

Mr. Alfonso Gagliano (Saint-Léonard): Mr. Speaker, I rise in the House this evening to defend once again the economic interests of the people of the Montreal area.

It is not the first time I have raised this important issue, but in the light of the current situation, I think it deserves our undivided attention, Mr. Speaker.

During Question Period on May 22, 1991, I quoted the new provincial economic forecasts published by the Conference Board of Canada. According to the forecasts, the economic situation in Quebec was worse than expected and the recession's impact was more severe than in other provinces.

If we compare the unemployment statistics of the two most heavily populated provinces in this country, we will reach the same conclusion as the Conference Board, Mr. Speaker. In April, the unemployment rate in Ontario was 9.4 per cent, while in Quebec it was 12 per cent. And if we consider the two largest cities in the country, in Toronto the unemployment rate was 9.1 per cent in April, while in Montreal it was around 13.1 per cent.

Actually, Mr. Speaker, when we look around the Montreal area, the picture is even gloomier. As the hon. member for Papineau—Saint-Michel remarked yesterday, Montreal looks like a war zone. Because of the severe impact of the recession on the Montreal area, I felt I had a duty to take part in this adjournment debate and ask the government to pay attention to the figures I am about to quote.

Mr. Speaker, 22 per cent of the population of Montreal, which means about one out of four, lives below the poverty line. We cannot tolerate this kind of situation. In the province of Quebec, 2,097 bankruptcies were recorded in April 1991, 62 per cent more than in April last

year. And 79 per cent of these were personal bankruptcies. The remaining 449 bankruptcies were filed by businesses, the highest figure in Canada, Mr. Speaker.

That is why this problem requires special attention from the Conservative government. Even more discouraging is the Conference Board's forecast that the economic situation in Quebec will continue to deteriorate and that during the coming year, the unemployment rate will not drop below its current level, which averages 12 per cent across the province, Mr. Speaker.

I am here this evening to ask the government to table concrete measures for the economic recovery of this region. When will the government unveil its action plan to provide durable, full-time jobs for 223,000 unemployed workers in Montreal, Mr. Speaker?

On the weekend, 5,000 people in the Gaspé held a meeting to sound the alarm. They want to stay in their region, they like it there, but there are no jobs, there is no economic activity. In that region, and in the Montreal region as well—we saw this last weekend and it happens every weekend—busloads of people to leave to go shopping in the United States. Something has to be done. The situation is critical. I think that if the government fails to come up with a comprehensive solution to deal with our economic problems, we will lose jobs that will never be recovered.

[*English*]

Mr. Lee Richardson (Parliamentary Secretary to Minister of Transport): Mr. Speaker, the Conference Board forecast mentioned by the hon. member for Saint-Léonard for the Canadian economy is similar to the forecast contained in the February budget. Its forecast, like ours, is for a resumption of economic growth this summer and for healthy economic growth to continue during 1992. I should point out that the Conference Board does not say, as I think the member said in his question, that the Quebec economy will continue to deteriorate. Its forecast is that the Quebec economy, like the Canadian economy, will as a whole begin to recover later this year.

Short term interest rates have declined by some 500 basis points over the last year and are continuing to decline. The differential between Canadian and U.S. interest rates has narrowed by over 250 basis points over the same period. This is helping to create the conditions