

*Oral Questions*

**Mrs. Francine Lalonde (Mercier):** Mr. Speaker, the figures have been verified with Strategic Policy and, if you wish, I can give the name of the civil servant we contacted who, of course, was none too happy that we had these figures. For 1994-95 and 1995-96, they are correct.

• (1430)

How could we take seriously the job creation initiatives of the government when the only thing it does is wage war on the unemployed, while hiding reality behind programs like the one the Minister unveiled yesterday in New Brunswick, which will affect 1,000 persons and cost the federal government \$40 million over 5 years, when more than a billion is being syphoned out of the Maritimes in just two years?

[English]

**Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification):** Mr. Speaker, unfortunately the hon. member of the opposition is beginning to suffer from an acute case of selective memory.

The fact of the matter is we did not just announce one program for New Brunswick. We have also announced a major program that will affect young people. We announced an additional \$20 million for young people, 10,000 more spots for summer employment. Our red book put forward these initiatives. We will be making an announcement very shortly. Places will be provided for tens of thousands of young people in internship programs. We have announced programs whereby we would put people into a youth service corps by the tens of thousands.

We have announced programs where we will provide the very major stimulus of \$800 million right across the country for a wide range of new approaches to get people back to work.

We said in the red book that the old programs were not working. The old ways were not getting people back to work. We are dedicated as a government to getting people back to work. In order to do that we have to make changes. I wish the hon. member would realize that change in this world is necessary and not just defend the status quo.

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**INTEREST RATES**

**Mr. Herb Grubel (Capilano—Howe Sound):** Mr. Speaker, my question is for the Minister of Finance. Yesterday the minister acknowledged that Tuesday's rise in the Bank of Canada lending rate is likely to result in higher than budgeted costs for servicing the government debt. He insisted the estimate for other budget items were conservative and that the overall deficit estimate would be achieved.

It looks like business as usual. Does the minister admit that the high interest rates also will have a negative impact on economic growth and tax revenues and that therefore the overall deficit forecast is also too low?

**Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec):** Mr. Speaker, the hon. member knows the current level of interest rates is substantially lower than the level we had six months or a year ago. Yesterday and today the vast majority of economists have said the current level will not in fact impede the economic growth we are now embarking on.

**Mr. Herb Grubel (Capilano—Howe Sound):** Mr. Speaker, why was the Canadian dollar under such heavy pressure that the Bank of Canada on Tuesday had to increase its lending rate 18 per cent, or 78 basis points, to a level of 5 per cent and the exchange rate today has dropped another four-tenths of 1 per cent?

**Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec):** Mr. Speaker, the hon. member knows the Minister of Finance cannot engage in speculating on the reasons for interest rate increases or decreases. I know he also realizes that if the Minister of Finance were to do so, he would get himself into a lot of trouble. I am sure the member would not want to get the Minister of Finance into a lot of trouble.

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[Translation]

**AVERAGE INCOME OF FRANCOPHONES**

**Mr. Gilles Duceppe (Laurier—Sainte-Marie):** Mr. Speaker, my question is for the Minister of Finance. According to a Statistics Canada study, the income gap between francophones and anglophones is widening steadily at the expense of francophones. In 1977, this gap in favour of anglophones was 4.4 per cent. In 1992, it had increased to 10.3 per cent. This study also shows that only in Quebec has this historical income gap between anglophones and francophones narrowed.

• (1435)

Will the minister recognize that the socioeconomic status of francophones outside Quebec has deteriorated drastically, which goes to show that the Canadian federal system is a total failure?

**Hon. Michel Dupuy (Minister of Canadian Heritage):** Mr. Speaker, we are of course looking at these figures with great interest. As a francophone myself, I care a great deal about my economic future.

I think we should not jump to conclusions too quickly. Language is one thing, and the economic status of individuals is another, although the two can sometimes be linked. Many factors come into play in determining our economic conditions.