

The Budget

number of occasions and hearing him testify here, before the finance committee. I am referring to Pierre Fortin, from the Université du Québec in Montreal.

Mr. Fortin has shown a great deal of common sense in his approach to the economic situation. He came up with a three-part social and economic program. That is, first, given the vulnerability of people who never graduated from high school on the job market, he said that we need to create jobs as quickly as possible mostly for their benefit, second, to protect what has already been acquired, and third, to undertake a second educational revolution.

I will now comment briefly on these points. It is very clear that large scale job creation will obviously reduce the amounts paid out in unemployment insurance benefits, social assistance and other benefits. It is also very clear that, by creating jobs, the federal government will generate more revenue for deficit reduction.

Mr. Fortin does not suggest that the government increase spending but rather that it exert pressure to maintain our interest rates under or around the five per cent mark or thereabouts, like our American neighbours.

• (1810)

If interest rates were at five per cent, many small and medium size businesses would have access to the funds needed to create enough jobs to put all of the unemployed back to work. I think that makes eminent sense.

Secondly, we clearly do not want to be irresponsible and to spark another increase in inflation. On the contrary, job creation and increased profits will hedge against the likelihood of inflation becoming a problem. The danger of inflation flaring up over the next three to four months is very minimal.

Thirdly, we must undertake a second educational revolution. Obviously, people between the ages of 20 and 64 who do not have a high school diploma need vocational training. We are not talking about university diplomas, we are talking about training spread over one or two years. That essentially is my conclusion.

I would like to say to my colleagues that there are some good ideas out there and that it is high time that we in the House of Commons take heed of them.

Mr. Yvan Bernier (Gaspé, BQ): Mr. Speaker, I listened to the member for Gatineau—La Lièvre. He made a nice speech, but forgot to mention that the Liberals were in office for a long time and that the deficit started growing back then.

I am somewhat sceptical when I hear that restoring confidence in the economy will result in the money markets lowering interest rates which, in turn, will stimulate job creation. I am from the Gaspé Peninsula and I can tell you that fringe areas need catalysts. Unfortunately, that budget does not include any

job creating initiatives. There is no catalyst to help people improve their lot.

The government's proposed approach, which is to let the private sector act freely, presupposes that it expects the private sector to create jobs for people with low levels of education. However, these jobs will not be well-paid. I would like to know how the regions will be mobilized. All the nice rhetoric heard in this House is fine, but the regions expect positive measures and guidelines. Instead of that, the government is cutting the financial support available through the Federal Office of Regional Development. Where is the support? Instead of providing support, the government is withdrawing it.

Mr. Assad: Mr. Speaker, I will first answer the hon. member's second question. I said, as did Mr. Fortin to the Standing Committee on Finance, that we have to exert pressure to lower interest rates.

Increasing the deficit will not solve the problem: it will only postpone it and make it worse. We have to find a way to lower interest rates, so that small and medium size businesses can get the money they need to expand. Let us not forget that there is a production capacity in our country.

The hon. member mentioned that the deficit started under the Liberals. That is true. However, when the Liberals left in 1984, the deficit stood at \$160 billion, whereas when they came back last year, it had grown to \$460 billion. Between 1984 and 1994, the deficit grew by 250 per cent, in spite of unprecedented levels of revenues.

[English]

The Deputy Speaker: It being 6.15 p.m., pursuant to Standing Order 84(6), it is my duty to interrupt the proceedings and put forthwith every question necessary to dispose of Ways and Means Motion No. 20.

Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Deputy Speaker: All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Deputy Speaker: All those opposed will please say nay.

Some hon. members: Nay.

The Deputy Speaker: In my opinion the yeas have it.

And more than five members having risen:

The Deputy Speaker: Call in the members.

(The House divided on the motion, which was agreed to on the following division:)