

Oral Questions

MONETARY POLICY

ment—Quebec): Mr. Speaker, there is no question, and the Minister of Human Resources Development has repeatedly said so, that we intend to begin a process of fundamentally reforming unemployment insurance in order to better prepare workers for training and to create jobs. We have embarked on a course that will enable us to achieve this goal and we will stay this course.

Mr. Michel Gauthier (Roberval): Mr. Speaker, will the Minister of Finance recognize that he should reconsider his approach which has been to attack the unemployed rather than unemployment itself? And could he tell us if he intends to put genuine job creation measures on the table in order to help people get off unemployment by working, instead of forcing them off UI by cutting their benefits?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, not only have we rolled back the UI premium rate in our budget in order to create jobs, not only have we talked about funding a new training plan to provide more training to our workers, but yesterday—and it surprises me that the hon. member is not asking me a question about this—the Minister of Human Resources Development and New Brunswick Premier Frank McKenna announced a program specifically designed to help Canadian workers.

Mr. Michel Gauthier (Roberval): Mr. Speaker, the main weakness in the Finance minister's budget is that it does not contain a single project of major significance that would help spur the economy. That is what is wrong with his budget. Does the Minister of Finance not recognize that he must introduce bold measures and join with the private sector in investing in forward-looking projects such as the high-speed train, projects which would give some hope and some dignity back to the unemployed?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, at the beginning of his question, the hon. member quoted from a survey which was reported in this morning's edition of *La Presse*. I would like to quote the article in question: "After leading the way in the House of Commons on the issue of the military college in Saint-Jean, the Bloc has chosen not to mention this matter at all in its review of the Martin budget. Instead, on the subject of defence, it criticizes the minister for not making deeper cuts".

How inconsistent, Mr. Speaker. How hypocritical!

Some hon. members: Oh, Oh!

Some hon. members: Withdraw what you said!

Mr. Martin (Lasalle—Émard): You are right, I withdraw the reference to hypocritical.

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot): Mr. Speaker, when the Liberals were in opposition, they strongly denounced the policy of high interest rates pursued by the former Governor of the Bank of Canada, John Crow. Now the excessive increase of the Bank of Canada rate that we saw yesterday is another sign which shows that nothing has changed.

• (1420)

My question for the Minister of Finance is this: Why did the Liberal Party of Canada promise in the election campaign to redefine the monetary policy, when it is acting exactly like the previous government by obsessively fighting inflation, which has been eliminated, instead of fighting unemployment?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, we will maintain the strategy of pursuing an inflation target of 1 to 3 per cent, with a goal of 2 per cent. We will do so because we want to create jobs and we want the economy to grow. The hon. member, as a reputable economist, knows very well why and I wonder why he asks such silly questions.

Some hon. members: Oh, oh!

The Speaker: Order! The language is getting a little rough today. Perhaps more moderate words could be used. I would hope that we could speak to each other in a civil manner.

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot): Thank you, Mr. Speaker. Given what he just said, I ask the Minister of Finance if he could explain to us how his position is different from that of the Conservatives?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, our objection when the Conservative government was in power was the really savage way they wrestled with inflation to bring it down. But we paid the price and we are there now! After making such hard-won gains, now is not the time to give them up.

* * *

[English]

GOVERNMENT EXPENDITURES

Miss Deborah Grey (Beaver River): Mr. Speaker, for four and a half years I sat in the House and watched the Conservative government lose the respect of the Canadian people.

During those years the Liberals promised that when they were in government things would be different.

Some hon. members: Oh, oh.

Some hon. members: Hear, hear.

Miss Grey: Mr. Speaker, it has become apparent that the government is practising business as usual. The red book