

*Oral Questions*

**Hon. Lucien Bouchard (Leader of the Opposition):** Mr. Speaker, the financial community does not go in for the florid speeches and noises we sometimes hear in this House, which take the place of monetary and fiscal policies. They spoke very toughly and very eloquently this week by lowering Canada's credit rating. There are also the unemployed and others.

I ask the Minister of Finance whether he is willing to review his inefficient and unfair approach which consists in attacking the unemployed by cutting their benefits to force them to look for non-existent jobs instead of going after the actual causes of unemployment.

**Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec):** Mr. Speaker, regarding our fight against unemployment, our job-creation plan was endorsed by the G-7 countries, by France, Germany and the United States.

When we look at the results for the month of February, 66,000 new jobs were created, including 15,000 in Quebec. And when we look at what we did by lowering unemployment insurance premiums, everything we did for small and medium-sized businesses, the high-tech networks, when we look at the action plan to create jobs, it must be said that this government is doing the right thing.

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• (1420)

**JOB CREATION**

**Mr. Yvan Loubier (Saint-Hyacinthe—Bagot):** Mr. Speaker, page 16 of the red book reads, and I quote:

The Conservatives' single-minded fight against inflation resulted in a deep recession, three years without growth, declining incomes, skyrocketing unemployment—

**Some hon. members:** Hear, hear.

**Mr. Loubier:** And it goes on. But the Minister of Finance told us yesterday that he is doing the exact same thing as the Conservatives. He strongly reaffirmed the Bank of Canada's goal to fight inflation. What an about-face in four short months! One can wonder what to expect for the next four years, Mr. Speaker.

My question is for the Minister of Finance—and you will not get off lightly! After—

**The Speaker:** Order! I did not hear the question. Could the hon. member please repeat it?

**Mr. Loubier:** I will start over, Mr. Speaker. I thought you were rising to indicate that my preamble was too long. That is why I sat down.

Let me put my question again to the minister. After tabling a Conservative-style budget, does the Minister of Finance not realize that he is reneging on his election commitment by

pursuing the same obsessive fight against inflation and refusing to make lowering unemployment the priority of the Bank of Canada?

**Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec):** First of all, Mr. Speaker, I must say we were better off before the hon. member put his question. I want to congratulate him on the way he read the quote.

As far as the question is concerned, is the hon. member going back on what his own leader said? Is he telling us that maybe we should not preserve what has been achieved in the fight against inflation, at the price of so much effort, as we know? Is the hon. member actually saying that we should not have low interest rates in this country? Should we not take advantage of these lower rates to stimulate employment in Canada? Is he denying all he has learned as an economics student? Not likely. Maybe. He says he denies it. What is he denying, the denial or having studied economics?

**The Speaker:** Let us not forget that we have several questions to hear today, from both sides. So, let us hear from this side now. I recognize the hon. member for Saint-Hyacinthe—Bagot.

**Mr. Yvan Loubier (Saint-Hyacinthe—Bagot):** Mr. Speaker, I have a supplementary question. It is strange all the same to see the Minister of Finance throw his short-term job creation creed out the window, just days after the G-7 Summit. So, I will ask him again.

Does the minister not agree that, by pursuing this obsessive inflation reduction policy, which his own party fingered as the main cause of the latest recession, he is knowingly stifling any hope of economic recovery and employment development in Quebec as well as in Canada?

**Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec):** Mr. Speaker, there is no doubt in our minds that job creation is our number one priority. That is why we were so happy to see that 66,000 new jobs had been created in Canada in February, as I just mentioned, 15,000 of which are in Quebec.

Let us assess the situation: consumer confidence has grown 13 per cent during the fourth quarter; retail sales increased by 1.2 per cent in January, following a 1.1 per cent increase in December; and car sales have increased significantly. Our economy is growing, and that is because of the confidence Canadians have in us.

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[English]

**INTEREST RATES**

**Mr. Preston Manning (Calgary Southwest):** Mr. Speaker, my question is also for the Minister of Finance.