

We could have invested in better infrastructure for the future. We could have spent some of that \$6 billion on that. We could have spent the rest of that \$6 billion on emergency help for the unemployed. It should not be necessary for an unemployed person who has worked for years for a company in this country to have to turn to welfare to keep his or her family fed. That should not be possible as his or her only outlet in Canada in 1991.

We could have put a fair tax system into place and replaced the GST by doing that. If the large corporations in this country and those who are wealthy paid their fair share of taxes, we would not need the GST. Across this country individual consumers and small business people would not be suffering the economic consequences of the GST.

There was the basis for a budget of hope. There was the basis for a different direction, for a new approach, an approach that would have shown it cared about people. I just wish this government had taken that approach instead of the mean and counterproductive approach which its budget demonstrates.

[Translation]

**Mrs. Monique B. Tardif (Parliamentary Secretary to Minister of Supply and Services):** Mr. Speaker, I listened very carefully to the hon. member who, in his questions to other speakers and at the beginning of his own speech, launched a fairly wide-ranging attack against free trade. I would like to draw his attention to an article in the *Financial Post*, published on March 5 under the heading: Free trade not cause of recession. This was an analysis by the Royal Bank, the second in as many years to examine the results of the free trade agreement.

The first *caveat* was, that before the agreement came into force, already two-thirds of our trade in goods was free between our two countries. The agreement will be effective for a period of ten years, so that what has already been implemented over the past two years does not reflect the full impact of free trade.

In a survey conducted by the Royal Bank, the main problem in the current recession was identified as high labour costs.

What also struck me in this article, Mr. Speaker, was a short paragraph which says:

[English]

The principal objective of the free trade agreement was to secure access to the U.S. market and to provide incentive for Canadian industry to restructure, to take advantage of activities in which we have a comparative advantage.

[Translation]

I like their conclusion, Mr. Speaker, when they say:

[English]

As long as wage increases exceed productivity and continue to fuel inflation, interest rates and the Canadian dollar will remain high in Canada. We will lose trade centres and jobs to the U.S.

In last week's budget, the federal government tried to remove one reason for high wage increases by targeting low inflation rates. Ottawa is also trying to set an example by announcing caps on wage increases for federal civil servants. The provinces should do the same.

[Translation]

I would like to ask the hon. member whether in a period like the one we are experiencing today in Canada, Mr. Speaker, he doesn't think it would be better to try and identify together the solutions to the problems facing this country? Should we not make a joint effort to build a stronger and more productive Canada that will be in a better position to deal with all the social problems we are experiencing?

Personally, I think we need the help of governments, the private sector and the labour unions. I think Canadians as a whole can be realistic and, instead of looking for a single solution, are able to imagine a range of solutions that would make good use of the full potential of our Canadian workers.

• (1600)

**Mr. Steven W. Langdon (Essex—Windsor):** Mr. Speaker, I agree that we as members of Parliament must work together to find solutions, if we can, but we must also be prepared to debate and discuss and clarify our various positions as parties and as members of this House. For instance, if we consider inflation, we can say yes, that is a problem. We must deal with this problem. The Economic Council of Canada suggested an approach to deal with inflation. It suggests that all groups in our society meet to examine the issue of inflation and set goals to control it. What did this government do? The government