

Oral Questions

think, however, that the hon. member will agree with me that 11.5 per cent is much better than the 22 per cent, which was the level at which the interest rates were when he was in power.

Some hon. members: Hear, hear.

Mr. Chrétien: I am about to talk about Diefenbaker.

Mr. Mulroney: The Leader of the Opposition wants to tell me something about Diefenbaker, and I will talk about Mackenzie King afterwards—

Mr. Chrétien: Tell us about the unemployed, Mr. Prime Minister.

Mr. Mulroney: Go ahead, talk about Diefenbaker but, please, do not bring up interest rates!

[*English*]

Mr. Chrétien: You are like the Blue Jays yesterday, Brian. Not the Expos.

Hon. Herb Gray (Windsor West): Mr. Speaker, I also have a question for the Prime Minister.

Today the Conference Board in its forecast said it expected the rate of inflation to go up 5.7 per cent this year, up from 4.8 per cent last year. If the Prime Minister is so concerned about inflation, why are he and his government pursuing policies which the Conference Board said are making inflation worse rather than better?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, no one said what my hon. friend suggests has been said. The government acknowledged when it brought in the GST, that there would be an increase in the inflation rate. Notwithstanding that, we were seeking to bring about in the second half of this year renewed economic growth in a non-inflationary climate.

We agree that inflation rates at 5 or 6 per cent are still too high. My hon. friend will sympathize with me I am sure because he was a member of a government where inflation went to 13 per cent. We are keeping the rates down to 6.5 per cent or 5 or 5.5 per cent. I think we should be entitled to a few words of congratulations from my hon. friend.

Hon. Herb Gray (Windsor West): Mr. Speaker, the close to 1.5 million people who are out of work due to the policies of this government are certainly not going to find any words of congratulations for the Prime Minister.

We have high unemployment, a too high dollar and, in spite of the Prime Minister's words, a still too high interest rate. Is this not proof that the government's budget is the wrong budget for the wrong time? Why will the Prime Minister not admit that his budget is making the economy worse rather than better? Why will the government not bring in new policies, a new budget to create jobs and get the economy moving again right now? Why will it not give those words of encouragement to the 1.5 million people this government has put out of work?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, in recent weeks the IMF, the OECD and the World Bank, among others have expressed support for the policies being pursued by the Government of Canada.

If my hon. friend has an alternative to the policies that are being followed by the Government of Canada, we would be happy to hear from him unless it is a typical Liberal recommendation to spend more money and to tax not only our children but to start taxing our grandchildren. That Liberal policy we will not follow.

I share my hon. friend's concern in regard to any degree of unemployment. In the first five and half years of this government, some 1.6 million new jobs were created, 87 per cent of them full-time and some 65 per cent of those jobs went to women. I think that is a good record.

As we come out of this recession in the summer and the autumn, it is the hope of this government that Canadians will maintain that kind of job-creating record which I point out to my hon. friend, in the first five years, led the OECD countries with the exception of one. I think that is a powerful record and it is one that Canadians can achieve again.

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REFUGEES

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, my question is for the Prime Minister.