

Oral Questions

which are available to anyone to read, analyse, and think about. With respect to this difficult situation, just before the first ministers' conference we announced some very important new programs focused over the next two years to support the creation of jobs, for example, \$25 million over the next two years in the auto parts sector; a program focused on creation of jobs in the major appliances sector, \$15 million over the next two years; the extension of designation of communities under the Industry and Labour Adjustment Program, to cover a number of communities in serious difficulty. We also announced a new program with a total budget of \$93 million aimed at improving the level of efficiency and productivity of all sectors of the economy, to encourage them to adopt new production processes—

Mr. Rose: Oh, that is nonsense.

Mr. Gray:—and machinery, with positive implications for employment. So, we have just taken some tangible and important steps, and I anticipate we will be developing and announcing some further steps in the coming weeks.

REQUEST THAT INTEREST RATES BE REDUCED

Mr. David Orlikow (Winnipeg North): The minister has learned a great deal from that former great minister from Windsor, the Hon. Paul Martin. He learned the worst examples of how to try to baffle people.

In that short period of the Conservative government the minister was the financial critic for the Liberal Party and he made a number of speeches criticizing high interest rates. Just today, Madam Speaker, the Bank of Canada announced an increase in the bank rate so it is obvious we are going into a period of rising, not declining, interest rates. That is going to do just what the minister said, increase inflation.

I would ask the minister when the government is going to take steps to reduce interest rates rather than let them go up, as the Governor of the Bank of Canada has done.

Hon. Herb Gray (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Interest rates have come down substantially since—

Some hon. Members: Oh, oh!

Mr. Gray:—since their high point last August, a decline of some six points.

Mr. McDermid: Not as low as when you said you would resign.

Mr. Gray: The over-all thrust of the budget is to create a climate aimed at reducing inflation and the upward pressure on interest rates, to continue this over-all movement we have seen since last August.

Miss MacDonald: Nobody believes you.

GOVERNMENT PROGRAMS

Mr. David Orlikow (Winnipeg North): Madam Speaker, the minister knows that all the programs which he and the Minister of Employment and Immigration have announced, if they work as the government claims, will only employ a few thousand people. Just today in *The Globe and Mail* we had announcements of lay-offs by Union Carbide, Cochrane Dunlop, Jarvis Clark—

Madam Speaker: Order, order. This is the third question where I feel the hon. member is really taking too much time with lengthy preambles. Would he go straight to his question?

Mr. Orlikow: Madam Speaker, I ask the minister once more whether the government has any programs which will really turn the economy around with a reduction in unemployment, or are we going to continue each month for the next year to have more unemployment as we have had almost every month for the last year or more?

● (1430)

Hon. Herb Gray (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, the programs that I have been talking about, including the program announced just before Christmas by the Minister of Employment and Immigration, and intended to have a real and substantial effect on unemployment and create very substantial numbers of new jobs. We are also looking at other types of programs to have additional effects in reducing unemployment and creating more jobs.

At the same time we have to recognize that a major reason for the kinds of lay-offs mentioned by the hon. member is the weakness in the U.S. economy and in the economies of other major trading partners. It is something that, no matter how we would like to do so, we cannot escape completely, even though we have to work to deal with the needs and requirements of our own economy. Certainly the over-all approach of the budget is to create a basis for job creation and economic renewal, reducing upward pressures on interest rates and inflationary pressures. Our over-all purpose is to get these objectives in place, job creation and reducing unemployment. Let us work together to achieve those objectives.

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AUTOMOTIVE INDUSTRY

RENEGOTIATION OF CANADA-UNITED STATES AUTO PACT

Mr. Otto Jelinek (Halton): Madam Speaker, my question is to the Minister of Industry, Trade and Commerce who knows that one of the industries hardest hit with unemployment is the auto industry. The minister also knows that the U.S.-Canada auto pact was designed 17 years ago with the intention of giving Canada its fair share in the automotive industry. Today we have a record \$4.35 billion auto parts trade deficit with the United States. So much for fair play.