

of 11.0 per cent. Our projection is 11.1 per cent, a shade above the private sector forecast.

The hon. member talks about January. A survey was done just last week which confirmed that private sector forecast. I should remind my hon. friend that back in 1986 when we had similar circumstances, we had the same sort of bleating from the opposition benches saying that the projections were way out of whack. The projection we put in for the interest rate at that time was 9.5 per cent or 9.6 per cent. What did it come to at? It was 9.2 per cent, .4 per cent or .5 per cent below, in face of the bleating from hon. members that our projections were way out of whack.

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EXTERNAL AFFAIRS

Mr. John Reimer (Kitchener): Mr. Speaker, my question is for the Prime Minister.

Events in East and West Germany have been developing at an extraordinary pace in the past few months. Last week the Foreign Minister of West Germany, Hans Dietrich Genscher, was in Ottawa for the Open Skies Conference and met with both the Prime Minister and the Secretary of State for External Affairs. Many other meetings occurred concerning the future of Germany at that time.

Could the Prime Minister inform the House if there have been further developments since those meetings in Ottawa last week?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I thank my hon. friend for the question. There were important discussions last week between the Secretary of State for External Affairs and Foreign Minister Genscher from the Federal Republic of Germany.

I take the opportunity on behalf of all members to issue genuine congratulations to the Secretary of State for External Affairs for his excellent chairmanship of the Open Skies Conference last week.

Some hon. members: Hear, hear!

Mr. Mulroney: Further to the conversations and meetings between the Secretary of State for External Affairs and Minister Genscher, I had a telephone call this morning from Chancellor Kohl. He reviewed with me the intentions of his government in respect of unification, his views on the monetary initiatives that he feels must be taken in the relatively near future to strengthen unification, plus the role that countries such as Canada

will be called upon to play as the talks in respect of unification follow their important course.

I thank my hon. friend for the question. I will be happy to report back to the House further developments on this important initiative.

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THE BUDGET

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, my question is for the Prime Minister. In June 1989 the Prime Minister stated, and I quote: "In our second mandate we will concentrate on long-term investment in people, skills, skills training, education, strategic technologies, research and development."

Will the Prime Minister agree with Pamela Smith, President of the Canadian Association of University Teachers, when she says: "This budget makes a mockery of the federal commitment to young women and men and to the future of this country"?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, of course not, because the truth is quite the opposite.

My hon. friend will know that in respect of the EPF transfers to the provinces, the restraint measures do not apply to the main federal programs providing direct support for Canada's educational objectives. Granting councils funding will increase from \$673 million to \$734 million, over 9 per cent. The Centres of Excellence will increase. Canada Scholarships will increase. Official languages in education, literacy, and education programs for native people will increase.

There will be increases in the system because this government is indeed committed not only to improving education and research and development but to doing so while containing interest rates and providing for sustained economic growth.

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, I am rather surprised that the Prime Minister did not refer to the \$31 billion in fewer funds that will be transferred to the provinces between 1986 and 1995.

[Translation]

My supplementary is directed to the Prime Minister or the Minister of Finance. Before cutting funding, did these gentlemen consider how many courses will be cancelled, how many classes will be cut, and how many staff members will be laid off? How much will registra-