

That is why the government, and governments, along with the private sector and the unions and all political parties, must have as their highest priority the intent to create new economic opportunities that translate into durable jobs for Canadians. That is the objective of all of our government policies. This is exactly what we are seeking to do, without affecting inflation negatively, while attracting foreign investment and creating a climate wherein this can be possible.

**Mr. Fontana:** How come it's had the reverse effect?

**Mr. Mulroney:** My hon. friend has a seatmate making remarks. I do not think I would have any quarrel with the objective articulated by my hon. friend; where we may have some disagreements is how we achieve it.

**Hon. Audrey McLaughlin (Yukon):** A supplementary to the Prime Minister, Mr. Speaker.

The reality is that we are not achieving it. In 1988 the Prime Minister promised jobs, jobs, jobs, and unemployment went up; the government promised to reduce the debt and the debt went up; the government has promised to reduce poverty in this country and poverty has simply increased in this country.

I want to say to the Prime Minister that Canada needs action now, not promise. We need economic policies, not the same ones and staying the course with those that have failed, but new economic policies that really address what is needed for the majority of Canadian people who now are looking forward to a future in poverty.

I say to the Prime Minister that the fundamentals are not working. Will the Prime Minister address that, admit that, and change the economic direction of this government to meet the very real needs of those Canadians who are suffering as a result of the policies of this government?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, the World Bank, the IMF and the OECD would disagree fundamentally with my hon. friend. It is their assessment that the fundamentals are working in Canada. They have stated that with an inflation rate of 1.3 per cent, Canada has now the lowest inflation rate in the industrialized world. They have stated as well that we will lead in terms of economic growth in the G-7 next

year and that employment growth will be highest in Canada among any of the G-7 countries.

While we do have a serious problem, I think the general assessment around the world and nationally is that we have chosen the proper instruments to deal with it.

The alternative to what we are doing is printing money and spending borrowed money. If deficit financing and spending by governments were a solution, we would not have had the results that we had when the Liberals were there or when the Liberals were joined in a loose and affectionate alliance with the NDP. That did not work.

The fundamentals are in place and we hope to move it along even more.

• (1430)

**Hon. Audrey McLaughlin (Yukon):** Mr. Speaker, I have a supplementary question. The sad reality is that millions of Canadians are far more familiar with food banks than they are with the World Bank, and that is what we would like to change. We would like to see Canadians not so familiar with food banks.

[*Translation*]

In 1988, the Prime Minister said that the best social program was employment. He should tell that to his finance minister and the Governor of the Bank of Canada because yesterday interest rates rose again, which will raise the deficit and even more people will lose their jobs. The Conservative government's economic policies are undoubtedly a failure. Can the unemployed and welfare recipients find out what this government's alternative is?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, I can only repeat some of what I said a few moments ago in English; that despite the difficulties that the governments of all industrialized countries—Great Britain, France, Japan, Germany, the United States—are going through, the International Monetary Fund, the World Bank and the OECD have concluded that the foundation is now in place for what we hope will be a lasting recovery in Canada in the coming months and years.

All the signs are both significant and encouraging for Canada. While I recognize the reality of the problem