

Oral Questions

Interest rates are down some 500 basis points; 100 basis points since the budget.

An hon. member: Not enough.

Mr. Mulroney: My hon. friend says not enough. I agree, not enough. With the support of his party, some of the cost-cutting measures that we are going to introduce will help interest rates to come down even further.

I think my hon. friend will have a choice to make and can explain it to Canadian people. Either you go about the question of job creation by reducing interest rates and by bringing about the necessary investment required to create durable jobs, or, alternatively, you spend borrowed money and increase deficits—as has been done in other jurisdictions by some 300 per cent—and see where that leads you down the road. We think that is a blind alley and we think that this is the proper way to create durable jobs in Canada.

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, I would like to point out to the Prime Minister that there is another option. The other option is to invest in the people of Canada and show the Canadian people that we have faith in them.

[*Translation*]

Mr. Speaker, in the Speech from the Throne, the government says that national unity and the economy are linked. There are 1.5 million unemployed Canadians in this country. In Montreal, for instance, one out of four people live on welfare or unemployment insurance.

If the Prime Minister really wants to help maintain this country's unity, where are the programs that will provide jobs for the unemployed in this country?

Right Hon. Brian Mulroney (Prime Minister): If the Leader of the New Democratic Party has a more effective and perhaps less expensive approach than the one taken in Ontario, I will be delighted to consider it.

So far however, it is clear, unless you absolutely want to saddle our children and grandchildren with a heavy tax burden that would mortgage their future, that jobs can be created when interest rates go down. To make those interest rates go down and thus create jobs in Montreal or elsewhere, by attracting the necessary investment, we must control government spending, we must maintain

our policy of putting public finances on a sound base, and we must provide incentives for national and foreign investment.

It was thanks to these policies that during our first six years in power, 1.6 million jobs were created in Canada, and we intend to repeat this exercise, starting in July or August.

• (1430)

[*English*]

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, I would suggest that the Prime Minister speak to those hundreds of thousands of Canadians who have lost their jobs through plant closures across this country and do not see that job coming back. They know that the Canada-U.S. trade deal has sold out Canada and they don't want that trade deal extended to Mexico to do that further. That is a future I want to see, where we don't have that.

The Prime Minister talks about the future and prosperity, and in the Throne Speech identifies clearly that one of the keys to that is the education of Canadian young people and the retraining of Canadians.

This government has cut back on post-secondary funding, it taxes books and magazines, and last year cut the citizenship instruction and language training programs for immigrants. How can this government say that it is now committed to education as the key to the future? If the Prime Minister is truly committed to education as the key to the future for our children and our grandchildren, will he reinstate the funding for post-secondary education that this government cut just a few months ago?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, as my hon. friend knows, the government has increased funding for EPF since 1984 in a very appreciable manner. My hon. friend should also know that the problem in Canada is not exclusively money. Canadians spend more per capita on education than any other industrialized country in the world with the exception of Sweden. The results are what is lacking, not the infusion of money, although the federal government remains ready to co-operate in regard to improving both these standards and in enhancing our competitiveness.