

Oral Questions

Further discussions will also take place very shortly to determine what kind of additional help is required.

EIC and the company will be contacting the municipality in the near future to discuss the establishment of a community adjustment committee. We hope these measures will be helpful to the affected workers.

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THE ECONOMY

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

Yesterday the premiers sent a message to this government and to the Prime Minister that job creation must be a priority. One thing the government can do to create jobs is to change direction with the government's monetary policy.

A study by Inforemetrics, for example, states that this government's monetary policy since 1989 has added \$5.6 billion to the deficit and cost Canadians 139,000 jobs.

The government has an opportunity to lower the deficit and create jobs by lowering the dollar. Will the Prime Minister direct the Bank of Canada to lower the dollar, to stop propping the Canadian dollar up to an unrealistic level?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the monetary policy of the Government of Canada has produced interest rates that are down 7.5 points from their high in May 1990. Interest rates today are at their lowest in almost 20 years. The inflation rate, which ran as high as 12.9 per cent for a period of some years in the early 1980s, in the last six months has been under 2 per cent and appears to be in that general 2 to 3 per cent neighbourhood next year. This is the result of effective monetary policy. These are the fundamentals that one has to get right before all of the job creation prospects can come to pass.

The provinces acknowledged yesterday—and I think, by and large, all of the premiers—that the concept of throwing borrowed government money at make work projects does not work, that restraint is very important and that co-operation among governments is very important. So I thought that yesterday's meeting was very constructive and helpful because it showed the govern-

ments of Canada working together to provide the kinds of durable jobs that Canadians need.

Hon. Audrey McLaughlin (Yukon): I have a supplementary question for the Prime Minister, Mr. Speaker.

I am sure the premiers would agree, as would the Prime Minister, that spending \$30 billion a year on unemployment does not work either. It certainly does not work for those Canadian families who do not have any hope that there will be a change and that this government will begin, not to just have make work projects—nobody is suggesting that—but to create real jobs and build the infrastructure of this country.

[*Translation*]

An Inforemetrics study says that, without a change in policy, the economy will continue to suffer from high unemployment, minimal productivity growth, a high deficit and high taxes.

Will the government change its economic policy and put the country back to work?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the purpose of monetary policy is to have lower interest rates, lower inflation and a strong currency that is respected throughout the world.

The fact is that we are achieving these goals and it is important to note that as inflation falls the value of the dollar goes down. It has lost 4.5 cents in recent months, I think.

It is generally accepted that the results of the monetary policy pursued by the government and the Bank of Canada are beneficial. We have a serious problem, of course, in job creation. But starting from this base, which is quite strong and impressive, all levels of government are now able, with the private sector, to create lasting employment and that is what we want to do.

[*English*]

Hon. Audrey McLaughlin (Yukon): The fact remains that 1.5 million Canadians are out of work and that tens of thousands have given up looking for work. That is the reality of this government's monetary policy.

Yesterday the Minister of Employment and Immigration stated in the House that there were 300,000 jobs available in Canada but that we did not have the skilled workers. My question for the Prime Minister is this: Just where are the 300,000 jobs? If it is the case that they are