

Oral Questions

Society of Canada and an elected associate member of the Pastel Society of America.

Not only did Mr. Everett serve the Muskoka area as a successful pharmacist, he served this country in World War II as a Royal Canadian Air Force flight navigator. He was shot down in a Hampton bomber.

Bob Everett was a true gentleman in every sense of the word. He was respected and loved by his friends and family.

I extend condolences to his wife Nora and four children, Eugene, David, Jason and Peter. Muskoka and the rest of Canada share their loss.

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MEXICO

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, as the House will know the Prime Minister is in Mexico City today. I recently returned from Mexico City having accompanied a CAW delegation there.

One of the recommendations we made to the ambassador on our departure was that when the Prime Minister was in Mexico he should meet with human rights activists. He should not just satisfy himself with attending the trade fair and meeting with business people, as important as that may be.

I hope when the Prime Minister returns he will be able to report to this House that he has met with human rights activists. The situation in Chiapas is still very delicate. The demands of the Zapatistas have not yet been met, demands which are shared by a great many of the Mexican people.

I hope the Prime Minister will show enough interest in the welfare of the Mexican people and not just Canadian trade opportunities and meet with human rights activists while he is in Mexico City.

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PRESENCE IN GALLERY

The Speaker: My colleagues, before we go to oral questions I want to point out one of our parliamentary colleagues in the gallery, Mr. Michael C. Liapis, member of Parliament from Greece.

Some hon. members: Hear, hear.

ORAL QUESTION PERIOD

• (1415)

[Translation]

GOVERNMENT'S CREDIT RATING

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, my question is for the Minister of Finance. During the

election campaign, the Liberal Party shouted from the rooftops that its economic program was based on creating jobs, on reducing the deficit by cutting government spending, and on a monetary policy balancing job creation with the fight against inflation.

The government failed at every level. Its first budget got a negative reception from the financial community as illustrated by the lowering of its credit rating announced the day before yesterday.

Does the Minister of Finance admit that this lower credit rating is due to a negative response from a financial community disappointed by the timid and inadequate budget measures to reduce departmental operating expenditures?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, I cannot believe that the Leader of the Opposition who criticizes us at every turn because we have cut military bases, reformed unemployment insurance, and trimmed government machinery, who spent three months criticizing our cuts, suddenly rises to tell us we did not cut enough.

So I ask you this: Where do you want us to cut? Tell us exactly in what areas!

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, there are many areas and the minister knows it. Let us think about the family trusts he is protecting in a rather special fashion.

I am convinced that the reason the financial community lowered Canada's credit rating is not because we cut too much, but because we did not cut deep enough, contrary to the commitments that were made.

I would ask the minister to comment on the government's timid spending reduction efforts combined with its obsession with fighting inflation, which is almost non-existent, causing a rise in interest rates, and I ask him specifically whether it is right that the upward pressure on interest rates should compromise the already slim chances of economic recovery and job creation, with the well-known negative effects on businesses and the unemployed.

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Yes, I am looking at you, Mr. Speaker. It is much better than looking elsewhere.

First of all, interest rates even today are much lower than they were three months, six months or a year ago. Second, as you know full well, the increase in interest rates is due to international reasons that have nothing to do with the situation here in Canada.

As far as budget cuts are concerned, we gave the Leader of the Opposition and his colleagues the opportunity to make suggestions in a pre-budget debate; they did not take that opportunity, so what are they telling us now?