

Oral Questions

I know that there is a fundamental difference of opinion with regard to trading arrangements between some opposition parties and the government. We favour broad, liberalized trading arrangements because we believe that Canada can compete with any other nation in the world.

The only way to build new prosperity is to trade one's way to new prosperity. That is precisely what we have done and it is what we are going to continue to do irrespective of the opposition that would like to take us back 40 or 50 years. Canadians will not do that.

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EMPLOYMENT

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, my question is for the Minister of Finance.

Throughout this summer people in this country have seen continued unemployment, unemployment that is both frightening and unacceptable. The only thing worse in fact has been the inaction of this government in the face of that problem.

We see three months of unemployment stuck at 11.6 per cent. We see growth rates only a quarter of what the government has predicted. We see that business investment has declined.

I ask the government this question. The Minister of Finance says that he admits things are slower. Surely that is a reason for this government to come back with a different answer, a new response, some new energy and urgency to deal with unemployment.

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, I remind the hon. member that employment has increased by 43,000 in three of the last four months. The labour force is growing.

We have had five consecutive quarters of positive GDP, very modest. We are seeing some turnaround in consumer demand. As my colleague the Minister of Employment and Immigration pointed out, the demand for exports is improving. In the first quarter, exports improved by 14.4 per cent. In the second quarter, there has been a further improvement of 4.6 per cent. Housing starts are improving. There has been steady improvement in the composite index, the index of fifteen components in the Canadian economy.

While the hon. member takes some pleasure in signalling some of the negative indicators, there are a number of positive indicators on the horizon. I think a close analysis will reveal that there are probably more positive indicators right at this particular time than there are negative ones.

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, faced with the same situations which we face here, 10 days ago the Japanese government changed its policies.

It launched a \$102 billion package of tax cuts, of spending and of government guarantees. Why is it fine for Japan to change its position to deal with an unemployment problem that is not as bad as ours and it is not right for us to make such changes? Why does getting people back to work make sense in Japan but not in Canada?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, quite frankly, we do not have the luxury that the Government of Japan has.

We cannot stimulate in a fiscal manner because of our difficult debt and deficit situation. That is an issue we have to deal with. I know the hon. member would suggest that the government should print more money and spend it. That comes from his party's employment and immigration critic.

• (1440)

We do not share that view. We believe it is important to get the fundamentals right. In getting the fundamentals right, you get a situation where mortgage rates decline to a 35-year low, you get price stability and that is important for investment. If we can resolve the constitutional issue that will create further confidence.

He talks about taxes. This government in the last budget reduced taxes. What happened? The NDP socialist governments in Saskatchewan, Ontario and British Columbia took up that slack and increased taxes beyond that which we provided in relief.

Mr. Jim Peterson (Willowdale): Mr. Speaker, my question is for the Minister of Finance. Last month the figures showed that Canada lost a further 27,000 manufacturing jobs.

I want to ask the Minister of Finance: Did he foresee his government's economic policies were going to be so devastating to our manufacturing sector? If so, could he tell us specifically where the latest victims of Tory