

*Oral Questions*

many items are in place to cope with this particular need. The Leader of the Opposition, of course, chooses to ignore that.

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**FINANCE****FINANCIAL BURDEN ON PROVINCES BECAUSE OF HIGH UNEMPLOYMENT—GOVERNMENT POSITION**

**Mr. Joe Clark (Leader of the Opposition):** Mr. Speaker, the minister will soon recognize that the problems caused by the failure of the economic policy of this government simply will not go away because he ignores them. I direct my supplementary question to the Minister of State for Federal-Provincial Relations, in the absence of the Minister of Finance. Is the minister monitoring the situation to which I have referred, in order to determine the weight of the burden being imposed upon provincial governments, particularly those of the less wealthy provinces, and upon the municipalities, to see if there must be any changes in the financial arrangements relating to those governments because of the failure of this government to follow an economic policy which creates jobs for Canadians?

[*Translation*]

**Hon. Marc Lalonde (Minister of State for Federal-Provincial Relations):** Mr. Speaker, a conference of finance ministers is currently looking into the economic situation and outlook. I am sure that if the finance ministers of some provinces are particularly concerned with this question, they will discuss it with their federal counterpart.

As far as the role of the government is concerned, as my colleague has indicated earlier, we pay 50 per cent of expenses related to assistance to the needy and the provinces and municipalities pay the rest. We will continue to provide these funds. Referring to my own experience as Minister of National Health and Welfare, I can say that the provinces have not made any representations or requests that the federal government should increase its contribution. I must also point out to the hon. member that each year under the equalization program the federal government pays several billion dollars to the provinces whose revenues are below the national average.

[*English*]

**Mr. Clark:** Mr. Speaker, the minister demonstrates that the government can avoid answering questions in both official languages. I should now like to direct a question to the Prime Minister. Given the fact that there was an increase of 40,000 in the number of unemployed last month, that more than 42,000 people who were on unemployment insurance went off that and on to the welfare rolls of provinces and municipalities, and the number of shut-downs by business, creating joblessness across the country, will the Prime Minister, putting the country's interests ahead of those of his party, now give us an undertaking that the government of Canada will immediately bring in a new budget designed to create jobs through a substantial tax cut that will stimulate consumption and demand in the country?

[Mr. Cullen.]

**Some hon. Members:** Hear, hear!

**Right Hon. P. E. Trudeau (Prime Minister):** Mr. Speaker, at any time in the life of a nation, at any time in the life of an economic cycle—even when the economic cycle is on the upturn—there are unemployed. Their plight is of concern to this government. There are unemployed who are not eligible for unemployment insurance and who are on welfare. As both my colleagues have stated, the government pays 50 per cent of that program.

● (1422)

The question is: Is the government's present economic posture the proper one to create hope and growth for the future? On this aspect we have evidence from the very authors quoted by the opposition, the OECD, that the government's posture is, in fact, creating growth at a rate faster than any other nation except Japan and possibly, marginally, the United States. At the same time, on a per capita basis more people are coming onto the labour market in Canada than in any other nation. This is the situation which creates unemployment and it is one which causes us great concern. As I say, the question we have to ask ourselves is this: Should our short-term and medium-range economic posture be changed?

**Some hon. Members:** Order.

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**LABOUR CONDITIONS****REQUEST GOVERNMENT INSTITUTE NEW PROGRAMS TO CREATE JOBS**

**Mr. James A. McGrath (St. John's East):** Mr. Speaker, my question is directed to the Minister of Employment and Immigration. I would say, first, to the Prime Minister that what needs to be changed is the government.

We are approaching the stage at which practically half of the one million unemployed are not eligible for unemployment insurance, as illustrated by the fact that 37 per cent have been unemployed for three months or more. Since 35 per cent of these long-term unemployed are men aged 24 or over—which means they are breadwinners and heads of families—it is obvious that existing job-creation programs are not keeping up with the need. Given the scope of this problem in terms of the additional burden imposed upon the poorer provinces especially, and in terms of the human suffering behind every one of these statistics, I ask the minister what additional advice he is giving to his colleagues in government with respect to additional programs to alleviate this situation.

**Hon. Bud Cullen (Minister of Employment and Immigration):** This is not just a concern of mine during the question period, Mr. Speaker; it is one which concerns me on a daily basis. This is why we were able to get in excess of half a billion dollars from Treasury Board for direct job-creation programs. That is why I considered it appropriate that better use should be made of unemployment insurance funds, so we turned to