

Oral Questions

to control it, and will it agree to get actively involved? The money may be there, but how much has been spent?

[*English*]

Mrs. McDougall: Mr. Speaker, our actions to date have been very specific. There has never been a program that has pulled together all the kinds of initiatives that have been pulled together by this government. I think that has demonstrated the commitment of the Prime Minister and of this government. It is not a case of starting at the beginning. We are in the process of some very important initiatives that have to do with dealing with violence in our society, particularly in urban areas, and those initiatives will continue.

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[*Translation*]

THE ECONOMY

Mr. Jim Peterson (Willowdale): Mr. Speaker, my question is directed to the Minister of Finance. Yesterday, the Prime Minister announced that our economy was in serious trouble. Today, we have seen a further increase in our unemployment rate. More than one million Canadians are out of work. According to some experts like Nesbitt Thompson, Montreal Trust, the Conference Board of Canada and even the Alberta Treasury, we are now either in a recession or on the brink of one. What new measures does the government have in mind to deal with this new situation?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think that the hon. member is misinterpreting what the Right Hon. Prime Minister said yesterday. He did acknowledge that we have a high level of interest rates, but that is in response to an economy that has been operating at a very high capacity, beyond its capacity to produce without inflationary pressures and we are seeing inflationary pressures. They are very clear.

I think it is important to realize that an economy cannot keep operating at those high levels the same way as an individual cannot run four-minute miles around a marathon course. What we are trying to do is manage some easing in the rate of growth in the economy so that

we can get a reduction in interest rates. We all agree that lower interest rates are going to be helpful to this economy, but they can only happen when we are assured that the level of inflation has subsided.

Mr. Peterson: Mr. Speaker, the minister did not answer the question. He is giving the same answers that he has given to this House since 1984, because he obviously does not realize that we face a new economic situation in Canada. It is not a question of our economy running a marathon. This government with its high interest rates and its high dollar is putting the brakes to an economy that is already stalled. These policies are driving jobs out of Canada. In the month of November alone, Canada lost 45,000 high paying jobs in the goods producing and manufacturing sectors.

When is the minister going to get off this high interest rates—high dollar policy? When is he going to recognize Canada's new economic realities?

Mr. Wilson (Etobicoke Centre): Mr. Speaker, the hon. member is quite aware of the job creation capacity of this economy and the success that we have had in the period since we came into office in 1984. That has continued through and is still there this year.

Mr. Peterson: Forty-five thousand jobs lost in manufacturing alone. That is in the last month.

Mr. Wilson (Etobicoke Centre): The hon. member can use selective statistics to prove any case that he wants. The bottom line is that we have had a very successful economy over the course of the last five years and we are determined to keep that going over the years into the future. But there are signals of problems on the inflation front with which we must deal.

The hon. member shakes his head, because he forgets that in 1976 we had an inflation rate of 5.5 per cent that the government of the day swept under the carpet, ignored and within four or five years, we had inflation running at 13 percent and the high interest rates that were needed at that time to deal with that inflation problem.

Surely we have to understand how we can avoid those problems now and avoid the disaster that we ran into in 1981–1982. This is exactly what we are trying to do as a government.