

Oral Questions

which this Government has passed, there will be no single senior citizen in the future who will be living below the poverty level in this country. This is something which this Government has done, and this is a policy which we have pursued.

In the last 16 years, under the leadership of the current Prime Minister, we have been able to reduce very significantly the percentage of Canadians living at the poverty level. We have cut that percentage by more than half. That has been brought about because of the steps which have been taken by the Liberal Government during that particular period.

I want to point out to my friend that the social assistance programs are under provincial responsibility, although the federal Government pays 50 per cent of whatever the provinces decide to pay. Surely he knows that the level of social assistance is the responsibility of provincial Governments, under the Constitution. They determine the level of those payments. Once more, we are providing 50 per cent of those payments.

● (1120)

As far as interest rates are concerned, the Hon. Member knows that the policy of the Government is to follow the lowest possible interest rate policy. We are now in a situation where we have the same prime rate as in the United States, and we kept those rates below the U.S. level, thanks to our policies, for as long as we could. We will continue that policy of the lowest possible rates, taking into account the reality of our economic environment internationally.

GOVERNMENT RESPONSIBILITY

Hon. James A. McGrath (St. John's East): Mr. Speaker, my concern is that unemployment in Canada continues to increase while it is continuously on the decline in the U.S. A StatsCan survey shows that in February 46 per cent of the unemployed were forced to live at or below the poverty line. Unemployment is going up, which means the ratio of poor people is also increasing. Surely the Minister and the Government have to bear the burden of responsibility for this. Surely he has an obligation to tell the House, and the poor, and the unemployed, how much more they are expected to tolerate.

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I remind my friend that employment has been rising during the last several months in this country. We have created more jobs, not less. The economy is growing and jobs are being created.

Mr. Broadbent: The economy is not growing.

Mr. Lalonde: As to the unemployed, the Hon. Member knows that we have set up a number of direct job-creation and recovery programs. A number of steps have been taken to increase the money for training and retraining of workers and unemployed. We are spending billions of dollars in that area, more than at any time in our history. There could be a few other things done. For instance, I am still hoping against hope that the Conservatives will support the income tax amendments before the House at the present time which would help

small business considerably, as well as farmers and medium-sized businesses.

Mr. Kempling: Where is the Bill?

Mr. Lalonde: We cannot get the agreement of the Tories to pass the Bill.

Mr. McDermid: You have not tabled the Bill.

Mr. Lalonde: This is one area where the Conservatives could co-operate and help the unemployed, instead of arguing amongst themselves and being unable to agree on what should be done.

IMPACT OF INTEREST RATES ON CONSTRUCTION OF HOUSES

Hon. James A. McGrath (St. John's East): Mr. Speaker, the fact remains that there are fewer Canadians working full time today than when this Parliament first met four and a half years ago. The economic indicators show that Canada could be heading back into recession. For the last quarter construction is down, and housing starts are down. The Minister knows, or should know, that for every one percentage point increase in interest rates there is a drop of 10,000 housing starts. That means 25,000 jobs are lost. We know increased interest rates mean higher mortgage rates, which will mean lower housing starts. Surely the Minister can tell the House to what level he will tolerate these high interest rates going before he moves in to protect Canadians from another recession.

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, the Hon. Member is taking the typical Conservative pessimistic and negative line that the economy is going into a recession. That is not a view shared by any serious analyst in this country. The economy is growing, and is expected to grow significantly this year. Even if the economy were to grow at the rate of 4.4 per cent, which is the projection on the basis of the growth in the first quarter, that would still be the best rate of increase since 1967. Inflation today is lower than it has been since 1972.

We are not in a recession and we are not heading into a recession unless, I suppose, we were to follow the Conservative prescriptions, and unless the Conservatives form a Government. That obviously would be a real recession for the country in many respects.

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● (1125)

CANADA SPORTS POOL CORPORATION

SIZE OF FINANCIAL LOSSES

Mr. John Bosley (Don Valley West): Mr. Speaker, in the absence of the Minister of State (Fitness and Amateur Sport) my question is for the President of the Treasury Board. Yesterday Cabinet confirmed additional funds for the sports pool. Will the Minister confirm that the figures presented to