

Oral Questions

necessary, and in order to get investment up and the economy going, and to provide jobs for the Canadian people?

● (1130)

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the hon. member refuses to acknowledge the fact that at present there is considerable strength in the Canadian economy, and its performance has been much better than anyone would have projected last fall, both on the employment side and on the production side.

The hon. member talked about construction. He ought to know that employment in the construction industry recorded strong growth in March, for the first quarter as a whole. Construction employment rose 5.1 per cent following five consecutive quarters of decline. That is improved strength in the construction industry, which the hon. member singled out for better attention.

He talked about high interest rates. As far as I am concerned, it is quite a mistake to talk about controlling high interest rates unless we control over-all inflation. That is the problem we face.

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EMPLOYMENT**INCREASE IN UNEMPLOYMENT ON PRINCE EDWARD ISLAND—ACTION TO REMEDY**

Mr. Tom McMillan (Hillsborough): Madam Speaker, my question is for the Minister of Employment and Immigration. When the government took office on March 4, 1980, the unemployment rate on Prince Edward Island was 13.4 per cent. Figures released today by Statistics Canada reveal that the unemployment rate on Prince Edward Island soared to 16 per cent for March. How does the minister account for that sharp increase in the unemployment rate on Prince Edward Island, and what specific steps does he intend to take to deal with the crisis?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, I want to point out to the hon. member that one important step that we took, immediately upon becoming the government, was to reintroduce direct employment programs for Prince Edward Island that the hon. member's government had cancelled so that there was no opportunity whatsoever for any additional federal systems to provide employment on that island. We have now spent several millions of dollars on that island for the provision of direct employment assistance through the community development project. If the hon. member is looking for an answer to how the people of Prince Edward Island have been helped, they have been helped by electing a Liberal government.

AID TO REDUCE BURDEN OF HIGH INTEREST RATES

Mr. Tom McMillan (Hillsborough): Madam Speaker, my supplementary question is for the same minister. In the House of Commons on October 29, 1979, the minister said:

If there is a requirement to raise interest rates, there is an equal requirement to help those people hurt by those interest rate increases.

The prime bank rate when the minister made that statement in the House was 15 per cent; it is now 17.75 per cent.

To deal with the unemployment crisis on Prince Edward Island, which the policies of his government have done nothing to help but, rather, have hurt, would the minister begin by urging his colleague, the Minister of Finance, to reduce the burden of high interest rates at least on primary producers, in particular fishermen and farmers?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, the Minister of Finance, as we well know, is well able to answer these questions for himself. I would point out to the hon. member that again one of the major changes that was introduced by this government was a budget which puts together a regime of lower energy prices which helped all Canadians, particularly those on lower incomes. Furthermore, we established a major income supplement program for the elderly to cushion the effects of higher costs and inflation, again adhering to the basic commitment of this government to help those who have the greatest difficulty in our society.

Mr. Clark: You know as little about the island as you know about Manitoba.

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INCOME TAX**TREATMENT OF PRINCE EDWARD ISLAND AND OTHER EAST COAST FISHERMEN**

Mr. Mel Gass (Malpeque): Madam Speaker, my question is for the Minister of National Revenue. The minister is aware of the tax audit of the fishing industry in Atlantic Canada. While the minister was in Prince Edward Island in February he assured the fishermen that they would be dealt with fairly and reasonably in repaying money owing in back taxes. The provincial director, on the other hand, states that he personally does not see any justification for special treatment of the fishermen.

Can the minister assure the fishermen, not only in P.E.I. but in Atlantic Canada, that he will live up to his promise and that he will not take such drastic steps as garnisheeing their UI cheques?

Hon. William Rompkey (Minister of National Revenue): Madam Speaker, I want to repeat that commitment made to the fishermen in Prince Edward Island that indeed they will be treated fairly and equitably, as will all fishermen and all taxpayers in the Atlantic area. There are a number of ways of collecting back taxes; garnisheeing is only one. I responded