

*The Budget—Mr. Maltais*

[English]

**Mr. Stevens:** Mr. Speaker, I followed the speech of the Hon. Member with great interest. Undoubtedly he has been following the financial affairs of his Government. I wonder if I could perhaps refer him to page 4. Perhaps he can explain to the constituencies to whom he is speaking why the employment growth in Canada was the worst of that in seven major industrial countries in 1982. In Canada it actually fell 3.3 per cent compared to a seven country average of less than 1 per cent. For example, Italy had no employment fall-off; the United Kingdom was the next worst at 3 per cent; France fell off less than 1 per cent; Germany, 1.8 per cent. Japan actually went up, and the U.S. went down slightly.

If we should be enthusiastic about our economy, and we all want to be enthusiastic, can he explain why this Government let us down so badly in 1982?

[Translation]

**Mr. Maltais:** Mr. Speaker, the answer to that question is very simple. It is a matter of changing the economy. If on the North Shore, companies operating there had initially started the processing of raw materials, I think structurally our economy would be much stronger and would provide much better-paid and more durable employment. We would have a much stronger economy, an economy that would allow us much more easily to find solutions to those recession problems we have been facing. If industrialized nations like the United States and others have been able to get out of this more easily, Mr. Speaker, it was for reasons of structure and nothing else. In other terms, what this country still needs is further processing of raw materials. As I have often said to the presidents of Iron Ore and other companies, if our economic structures were more involved in processing operations we would have had still stronger results. This is an invitation to the Minister of Finance to add incentives for companies to process more raw materials in Canada, rather than having it done abroad.

[English]

**Mr. Huntington:** Mr. Speaker, the Parliamentary Secretary mentioned that he had just had a conversation with, I believe, the mayor of his town, or at least a town in a district in his riding. Can he tell us if he is experiencing the same trouble we are having with the NEED Program out on the west coast where the unions serving the municipalities are not allowing the unemployed to be hired under that Program at less than union wages? This means that municipalities have to match dollar for dollar the NEED grants, which is an impossible thing for them to do under the present expenditure restraint programs in place. Are they experiencing the same thing in his part of the country?

• (1720)

[Translation]

**Mr. Maltais:** I welcome this question, Mr. Speaker, because currently on the North Shore there is a tremendous amount of co-operation between management, labour and governments. As I said earlier about my meeting or discussions with the

Mayor of Gagnon, Mr. Coicou, concerning the Summer Canada Program, and already the Minister of Finance has announced \$70 million for that program, that part concerns students. As regards the other part which concerns laid-off employees, people that are out of work, what we are seeing now in Schefferville, where Iron Ore employees are currently being laid-off, and have been since the fall of 1982, is that the federal Government is keeping in operation Schefferville's recreation centre and ski centre. The people working on those projects are laid-off employees and they are paid by the Government. They preferred that to drawing unemployment insurance benefits and doing nothing. The union managers agreed with that formula, and I thank them for their co-operation. But I must point out, Mr. Speaker, that I went to Schefferville first to reach an agreement with them, to ensure that everything would be done according to standards, and actually, were it not for the federal presence in those areas, people would be facing real tragedy. In conclusion, I would stress that the Canadian government also will pay \$4,500 to each family moving anywhere in Canada.

[English]

**Mr. Stevens:** Mr. Speaker, my second question of course is prompted by the answer given by the Parliamentary Secretary to my first question as to why we have the worst employment growth or creation record of any of seven major countries. He said it was something to do with the North shore not processing enough material. Now, that may be so, I am not well acquainted with what happens on the North shore, but I was wondering if the Parliamentary Secretary, who has been a very supportive force behind this Government, could tell us why in November, 1981 his Government told the people of Canada that there would be an actual growth in employment in 1982 of 1.8 per cent. If all those factors he referred to were true, did they not foresee it? In short, why did we have a 5 per cent turnaround from a 1.8 per cent growth rate to a fall-off of 3.3 per cent?

[Translation]

**Mr. Maltais:** Mr. Speaker, the question has something to do with the answer I gave earlier. The North shore is not the only issue here. When industrialization is highly advanced and the leading sectors very active, it is easier to create a lot more direct jobs than when the Canadian industry is based mostly on exports with very little processing of raw materials. That goes for regions other than the North shore. Let us take fisheries on the Pacific or the Atlantic. We would stand to benefit if we were to do more product processing, which in turn would boost the labour force growth rate, but we have a structural problem in this country. Our preference seems to be to export unprocessed raw materials so that our labour force is not highly skilled. As a result, countries such as the United States, France and even Japan process the products which create skilled jobs and enable them to have a higher growth rate than Canada can achieve. It is as simple as that.