

Oral Questions

and in May, 11.2 per cent. It is obvious that the minister is out of touch with reality.

Given the fact that the minister based his budget to a large extent on assumptions that the unemployment rate would average 10.3 per cent this year, does he still stick to his target? Does he realize in order to meet his target, the unemployment rate will have to average 9.7 per cent for the balance of the year?

Is the minister prepared now to stand up and to admit that he was wrong in his budget of February 25? Will he tell Canadians what his government expects the unemployment rate to be for the balance of this year?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, the hon. member will recognize that we have acknowledged the unemployment figures are higher than we would like, obviously because of the weakness in the economy and because of the fundamental restructuring that is taking place.

The hon. member should be encouraged by the fact that the labour force grew this past month by some 56,000. There were 31,000 new jobs created.

What is more encouraging and is really a reflection of the policies of the budget, some 41,000 new jobs have been created in the manufacturing sector. That is precisely what we attempted to do in the budget. We tried to address that particular sectoral weakness, namely the manufacturing and processing sector.

Obviously, with the economy being weaker than we had projected in the budget, the hon. member is aware of the fact that Statistics Canada adjusted the figures for 1991 downward by almost one half of one per cent. This has a reflection upon the growth prospects for 1992.

I ask the hon. member to give the budgetary policies a chance to work. The clear example that 41,000 new jobs have been created in the manufacturing sector is proof positive that the policies of the budget are in fact taking hold.

Hon. Herb Gray (Windsor West): Mr. Speaker, my question is for the Minister of Finance.

He says he wants Canadians to give more time for his policies to work. The minister has been saying for months now that his policies are going to turn the economy around. If he is right, why has the unemployment rate gone up and not down? Why has the number

of people working fallen by 25,000 in one month alone? Why has the number of full-time jobs dropped by 221,000 since last May?

I ask the minister: In the face of these terrible numbers, where are the jobs? Where are the jobs? Why does he not do more right now to get people back to work?

[*Translation*]

Where are the jobs? Why doesn't he do everything that has to be done to put Canadians back to work immediately?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, there are 12.207 million Canadians who are currently working. The hon. member compares the statistics with 1984. In 1984, there were 10.849 million Canadians working out of a work force of 12.331 million. Today we have a work force of 13.7 million. The hon. member is wrong in one of his submissions. The fact of the matter is the labour force has grown this past month by some 56,000. There have been 31,000 new jobs created. There have been 41,000 new jobs created over the last two months in the manufacturing and processing sector. That is a specific area we addressed in the budget.

Today's *Ottawa Citizen* quotes one-year mortgage rates have now reached a 25-year low. Canada is not alone in having difficulty with the unemployment situation. The United States of America has just recorded its highest unemployment levels since October 1983. It is a world-wide problem we are trying to address in the most effective way possible.

Hon. Herb Gray (Windsor West): Mr. Speaker, in talking only about the number of people working, the minister and his government are in effect writing off the 1.5 million people who are out of work. Surely, they deserve more from this minister.

There is no doubt that the unemployment rate is up, not down. The number of full-time jobs has fallen, not increased. I cannot believe that after these tragic numbers announced today the minister is essentially giving us the same answer he has been giving us for months. Why can he not say something new to at least give some hope