

● (1120)

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I appreciate the hon. member's interest in this subject. Obviously members of the House are concerned about unemployment levels and lay-offs. I have stated in the House that within the current fiscal framework the government will undertake specific projects, and I have replied to the Leader of the Opposition that when any decisions are taken on this matter I will ensure that the decisions are announced, but decisions have not yet been taken.

TIMING OF INTRODUCTION OF PROGRAMS

Mr. Edward Broadbent (Oshawa): Madam Speaker, 33 per cent of the forestry workers in British Columbia are out of work. Fifty thousand auto workers are out of work. More than 480,000 young Canadians are out of work. How much longer do the people of this country—cumulatively almost a million and a half unemployed Canadians—have to wait before this government demonstrates some concern by bringing in new programs?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the hon. member believes a number of specific new programs would solve the problems of these particular groups. I believe he is misleading them into that belief because it is my view that unless we succeed in bringing down the level of prices in this country we will not be able to solve the problem of unemployment. That is why I believe we must assume a firm anti-inflationary posture in order to create the conditions for renewed growth and for employment creation in the country. That is the basic thrust of the budget, and that is the basic policy of the government.

REASONS FOR POSITION TAKEN BY GOVERNMENT

Mr. Edward Broadbent (Oshawa): Madam Speaker, in the past the minister has been fond of drawing our attention to the international situation. I point out to him that even a conservative administration like that of Ronald Reagan in the United States indicated last week that it is no longer preoccupied with the level of budget deficits. In Europe some time ago the government of France, and just some ten days ago the government of West Germany, announced major new initiatives to stimulate their economies because they are concerned about the people in their countries. They will not stand back and watch millions more become unemployed.

Does the failure of the Government of Canada to act at this point really demonstrate that, in terms of its ideas, it is either intellectually bankrupt or, in terms of its concerns about the people of Canada, morally indifferent? Or, frankly, is it both?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, just to comment on the hon. member's reference to the policy of the United States government, what is causing great concern in the United

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States and elsewhere is the projected level of the deficit in that country. Everybody seems to understand that if that deficit is maintained and grows larger, it will limit or remove any possibility of bringing down interest rates in the United States. Why have short-term interest rates gone up in the United States in the last week? It is partly because of the concerns which have been expressed about the projected level of the budget deficit in the United States.

If the hon. member is serious about creating jobs in Canada he will be as dedicated as I am to doing everything possible to bring down interest rates. He ignores that problem in all his questions because he seems to believe we can reach solutions in Canada and forget about rising prices and rising inflation.

The hon. member talked about West Germany. I remind him that even with the recent changes made by the West German government it is still maintaining a firm anti-inflation policy—

Mr. Broadbent: And stimulating the economy.

Mr. MacEachen:—and a restrictive fiscal policy. I would remind the hon. member that unemployment in West Germany, now at 8.2 per cent, is much higher than it has ever been in comparison with historical levels in that country. Their unemployment problem is very deep, greater than it ever has been, and greater than Canada's current unemployment based on historical levels.

● (1125)

The hon. member has talked about action taken by the West German government. I have looked at that very carefully and I do not believe it represents any basic change in their current fiscal policy. The things we are doing in Canada, I think, if added together, would create as much of an impression, fiscally, as what is being done by the West German government.

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THE ADMINISTRATION

MINISTER'S MEETINGS WITH LIBERAL MEMBERS OF PARLIAMENT

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Madam Speaker, my question is also addressed to the Minister of Finance. Yesterday a second significant fissure in the Liberal caucus was disclosed by the hon. member for Kitchener, who gave an interview to the *Kitchener-Waterloo Record* in which he disclosed that he had received some 1,000 letters from his constituents complaining about the government's budget and economic policies. In the interview he stated that he was a member of a group of seven or eight Liberal MPs who had been meeting with the Minister of Finance to urge him to change his policies.

Can the Minister of Finance confirm the statement of the hon. member for Kitchener that he has been meeting with a group of seven or eight Liberal MPs of whom the hon. member for Kitchener is one, and that they have counselled the minis-