

[English]

## MEASURES TO ALLEVIATE UNEMPLOYMENT

**Mr. James A. McGrath (St. John's East):** My supplementary is to the Minister of Employment and Immigration. Given the fact that unemployment in Canada has risen substantially over the past month and that we are now experiencing the pressures of long-term unemployment—43 per cent of those without work have been unemployed for three months or more—and that the number of jobless is likely to be further increased through the closing of universities for the summer, I ask the minister whether he is prepared to tell the House what new measures or directions he is contemplating in terms of job creation to alleviate this critical situation. Or does he subscribe to the view of his colleague, the Minister of Finance, that we are to have a million unemployed to the end of the year? Is that his view, because if it is, it is time this tired government went.

**Some hon. Members:** Hear, hear!

**Hon. Bud Cullen (Minister of Employment and Immigration):** From that diatribe I would think all the politics is on the other side and that all the responsible positions are being taken on this side of the House. The hon. member should recognize, if he has made any study of the statistics at all, that there is normally a peak in March. One notable aspect—it is almost always ignored by the opposition—is that there were 103,000 more people working in the period than there were in the month before. So there is an improvement in the labour market. The labour force participation rate is 62.4 per cent higher than it has ever been in the history of this country; higher, indeed, than in most countries of the world.

We do face a challenge, but we have programs in place at the present time. We did not make them this winter; we made them earlier, last fall, so that we could put 300,000 students to work this summer through our student manpower offices. That is just one illustration.

● (1427)

## REDUCTION IN SALES TAX—EFFECT ON EMPLOYMENT

**Mr. Edward Broadbent (Oshawa-Whitby):** Mr. Speaker, I have a question for the Minister of Finance. However, I would like to say at the outset that the Minister of Employment and Immigration is quite right in saying that the government is responsible. It is responsible for creating this hideous mess. It is responsible, all right.

**Some hon. Members:** Hear, hear!

**Mr. Broadbent:** Would the Minister of Finance acknowledge publicly, here, what an official in private session admitted yesterday, that this part-time tax cut budget he has brought in will, at the very most, create 40,000 new jobs in Canada, in the context of our learning today that in one month only unemployment increased by 35,000?

**Hon. Jean Chrétien (Minister of Finance):** Mr. Speaker, I cannot subscribe to that figure. I say that with a 5 per cent

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growth in the g.n.p. in 1978, the unemployment rate will decrease. But we have to keep in mind that giving a precise figure is very difficult because we are subject to a very big increase in the participation rate in Canada. In the last ten years, the labour force in Canada has increased by an average of 3.5 per cent, per year, compared with 2 per cent in the United States and less than 1 per cent in Great Britain and France. In fact, in Germany there are now fewer people in the work force than there were ten years ago.

**Mr. Broadbent:** Mr. Speaker, I say, in all seriousness, that I would like the minister to answer. He gave that answer to the Leader of the Opposition and now he is repeating it to me. Is the minister saying that the real reason we have an unemployment problem in Canada is that people want to work? That is what participation in the labour force is all about. If the minister is saying that, does he not realize that it is perfectly absurd and that it is the government's task to create jobs for people who want to work? Does the minister not agree that it is the responsibility of the government to make sure that people who want to work can find work? The answer the minister is giving is no answer.

[Translation]

**Mr. Chrétien:** Mr. Speaker, I said and I repeat that when compared with any other economy in the world at the present time, the Canadian economy creates more jobs. During the last year, our economy has created 330,000 new jobs, which is probably a success second to none since it represents 100,000 new jobs more than the average for the last five years. Some people underestimate that performance. Obviously there are too many unemployed in this country and one of the reasons for that situation is that more people want to work. I will agree about the fact that our economy cannot at the present time produce jobs in sufficient numbers to satisfy all those who want to work. This is obvious. However, hon. members would be well advised to face reality, that is to acknowledge the fact that 330,000 new jobs have been created in the past 12 months. I for one think that Canadians should be proud of such a performance.

[English]

**Mr. Broadbent:** Mr. Speaker, does the minister not realize that other countries do not have to create the same number of new jobs if their labour forces are not increasing? Does he not realize that it is absolutely stupid, economically, to suggest that those other countries should be creating more jobs than they need? The failure of the government has been in not creating the jobs Canadians need. According to his own figures, private investment in 1978 is going to drop from what it was in 1977. And it is investment that creates jobs.

If that is the case and the minister has already said it is the case, could he explain why the government is cutting back on its own public sector investment in the coming year by more than \$200 million? Would the minister explain why it makes more sense for the government to pay people \$4 billion in