

ORAL QUESTION PERIOD

[English]

THE CANADIAN ECONOMY

PROPOSED FIRST MINISTERS' CONFERENCE TO DEAL WITH UNEMPLOYMENT—UNDERTAKING OF PRIOR PRELIMINARY WORK

Mr. Lincoln M. Alexander (Hamilton West): Thank you, Mr. Speaker. I should like to direct my question to the Prime Minister, pointing out to him that, including the hidden jobless, there are approximately 1.3 million Canadians unemployed at the present time of whom 46 per cent are breadwinners who have been looking for jobs for the past three months, which means we are losing some \$17 million a day in gross national product and \$6 million by way of unemployment insurance costs. I ask the Prime Minister in all seriousness, because of the national emergency we face as a result of this peculiar phenomenon, whether he will take steps to convene an early first ministers' conference to deal with rising unemployment and an unsatisfactory real growth rate, problems which have too long adversely affected the optimum economic potential of this country?

Some hon. Members: Hear, hear!

Right Hon. P. E. Trudeau (Prime Minister): Without subscribing to the fanciful figures put forward by the hon. member when he talks about what he calls hidden unemployment, taking the figures as they are, they do not show a situation with which anybody in this country can be happy. I must remind the hon. member that an increase of one tenth of one per cent this month is in contrast with a decrease of four tenths of one per cent in the previous month and that it is impossible to ascertain a trend from these contradictory figures. The hon. member's calculations are pretty far off. If that is the way he would run the economy—

An hon. Member: You don't care about the unemployed.

Mr. Trudeau: Unemployment is, of course, something about which we do care a great deal. That is why in the budget we brought in substantial tax cuts for consumers and the corporations. We are still hopeful that the long run trend will be in line with what happened last month, and that the budget will continue to produce satisfactory effects if the private sector can take up the tax room which is left to it.

I fail to see how a conference of first ministers at this time, without any further elaboration by the hon. member for Hamilton West, would be a solution. If the hon. member has some suggestions which he would want me to put to the premiers to consider, I will gladly do that. But the federal government is taking its responsibilities, so are the provinces, and at this stage the bringing together of the two would have no effect beyond that of satisfying the hon. member opposite.

Mr. Alexander: Mr. Speaker, let me tell the Prime Minister that the first thing he can tell the first ministers of the country is that the budget of the Minister of Finance is a complete bust

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and disaster and will do nothing in terms of bringing about long-term, lasting employment. That is the first thing that I can tell the Prime Minister, and if he wants any further suggestions he can ask me after I have put this supplementary question. On June 29 I asked the Prime Minister whether he would convene a first ministers conference in order to deal with this very situation, and the Prime Minister replied, as reported at page 7178 of *Hansard*:

Mr. Speaker, I have ascertained that I did answer Premier Schreyer's letter to me. The essence of the federal position is that if our officials and eventually ministers of finance and manpower ministers can meet and make some progress with the kind of idea Premier Schreyer has, we then could usefully consider convening a federal-provincial conference of first ministers. However, at this stage I do not think the latter conference should be convened until preliminary work has been done.

Given the fact that the Prime Minister indicated that there should be some preliminary work done before we convene this first ministers conference to deal with this very unhealthy situation, and in light of the fact that we have this enormous rate of unemployment which certainly calls for immediate initiatives on the part of the federal government under the leadership of the Prime Minister, I ask the Prime Minister what steps he has taken to start and finish this preliminary work in order that it will be possible, in his terms, to convene this first ministers conference. Has the Prime Minister done anything since I asked him that question on June 29, given the gravity of this very unhealthy situation?

Mr. Trudeau: Mr. Speaker, we are attempting to make sure that the private sector does take up the very substantial tax room that the last budget made for it. The purpose of the budget in cutting taxes was this. The hon. member will recall that since the turn of the year something like \$2.5 billion to \$3 billion have been put into the hands of the private sector, both individuals and corporations. It has been our hope and expectation that this would lead to increased investment and increased construction by the private sector. Of course, if the private sector is not prepared to do that, I fail to see how the suggestion made by one of the hon. members opposite a moment ago would have any effect. In other words, cutting taxes now does not seem to be the right thing to do if the people who will benefit from the tax cuts just save the money rather than invest it. That is why we are trying once again to ensure that the private sector takes up the tax room that we left for it, rather than turn to increased federal expenditures which I am sure hon. members opposite would not want to encourage.

Mr. Alexander: A final supplementary question, Mr. Speaker. Why is it that the Prime Minister continually and callously disregards the plight of the unemployed; and when is he going to discontinue fighting inflation on the backs of the poor and the unemployed?

EFFECT OF CONTROLS ON JOB CREATION IN MANUFACTURING INDUSTRY—GOVERNMENT POSITION

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is also for the Prime Minister. In view of the fact that