

*Oral Questions*

with ongoing developments. I believe that the projections made by my hon. friend in December had to be changed as a result of new developments, and that may occur in this case; but at the present time I am not projecting an additional increase.

**Mr. Crosbie:** Madam Speaker, on April 24 the Prime Minister said, "Our main preoccupation is to ensure economic growth and jobs for Canadians and the deficit is a long-term objective." The firm of Wood Gundy has predicted, for the first time since 1954, that we are going to have a real decline in output in the Canadian economy—a decline of 0.5 per cent—which does not say much for economic growth. We know from the figures that jobs for Canadians are seriously in danger.

Could the minister tell the House how he plans to ensure economic growth and jobs for Canadians, especially in view of the present record high deficit that he is prophesying for this year in his budget and the high deficit in the balance of international payments? How is the minister going to carry out the Prime Minister's objective in the light of this situation?

**Mr. MacEachen:** I should add, Madam Speaker, that the projection made by Wood Gundy is more pessimistic for growth in 1980 than the projection which I gave on April 21, which was real growth of one-half of 1 per cent. I notice that the president of the Royal Bank today gave a similar forecast. There is no doubt that as a result of declines in the United States and the absorption of very large oil price increases in the world economy, we are in a period of slow growth in Canada.

The hon. member has asked what my plans are with respect to dealing with that situation. I have said to my hon. friend that it is certainly not my intention at the moment to attempt to deal with that situation by recommending further increases in the very large fiscal deficit. I do not believe my hon. friend would recommend that course, either. There is a good deal of stimulus being provided by the very large deficit that is in existence at the present time. In the absence of that deficit, probably the unemployment rate—no question of probability, there is no doubt that the unemployment rate would be higher than it is at the present time.

● (1420)

**Mr. Crosbie:** Madam Speaker, there is no question about it; the minister in office is a changed man from the minister out of office, and he had better get his act together.

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

**Mr. Crosbie:** Those on our left are only happy when there is trouble in the country.

**Some hon. Members:** Oh, oh!

**Mr. Crosbie:** My final supplementary to the Minister of Finance is this. In the minister's speech in Paris recently, June 4, to the Organization for Economic Co-operation and Development, he said:

To the extent that these changes include further reductions in the demand for oil—

Sorry, the minister said this:

But the experience of the 1970s has brought home the point that we are unlikely to achieve a sustained improvement in employment unless we get inflation under better control.

Does this indicate it will be the minister's policy direction and chief priority to introduce policies to get inflation under better control? Not policies directed at increasing employment but, rather, that the emphasis is going to be in getting inflation under better control? In other words, does he mean what he says, or does he not mean what he says, or does what he says mean anything?

**Mr. MacEachen:** Madam Speaker, that convoluted series of questions would require an answer that only the hon. member would be capable of giving.

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

**Mr. MacEachen:** As the hon. member knows, there is always the dilemma of trying to deal with rising unemployment and the threat of inflation. The consensus of opinion at the OECD meeting of ministers of finance from the western industrialized countries was that at the present time it would be desirable to maintain the battle against inflation—not to attempt to reflate at the present time against the danger of renewed inflationary expectations.

**Mr. Crosbie:** Did you agree?

**Mr. MacEachen:** Yes, Madam Speaker, I agreed with that approach. This is a situation that will have to be assessed as time goes on, particularly in view of what happens in other countries. But it would seem to be unwise today to begin to launch an abrupt change in policy and to assume that the threat to the economies of not only Canada but other countries from inflation is over. That would not be very wise.

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## EMPLOYMENT

### EXPENDITURES FOR JOB-CREATION PROGRAMS

**Mr. Jim Hawkes (Calgary West):** Madam Speaker, my question is for the Minister of Employment and Immigration. On April 21, the finance minister increased federal expenditures by \$2 billion. In view of the rapidly increasing unemployment situation, can the minister tell the House how much of that \$2 billion increase has been allocated for employment-creation projects?

**Hon. Lloyd Axworthy (Minister of Employment and Immigration):** Madam Speaker, as the hon. member well knows—because he has been in the House and participated in debates—we have announced two job-creation programs, one a summer job-creation program which was in the neighbourhood of \$100 million, and the program announced last Monday of \$137 million. Those are direct job-creation programs.