

Oral Questions

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the hon. member included many points in his question. With respect to the unemployment situation, he knows as well as I do that the unemployment rate we have been experiencing in 1981 is better than that forecast in the budget. The economy is stronger and the rate of growth in the economy is stronger, otherwise we would not be experiencing the kind of inflationary pressures that the hon. member is mentioning.

With respect to the question of employment, there has been a change from last month to this month, with a slight increase in the seasonally adjusted unemployment rate. But I would remind the hon. member that a year ago the seasonally adjusted unemployment rate was higher than it is today, and that in the past year we have created 321,000 new jobs. In addition to that, the performance on the unemployment side of the economy is better this quarter than it was in the immediately preceding quarter.

● (1125)

I mention some of these other elements to indicate to the hon. member that I do not think that his suggestion that I bring in a budget at this stage to counteract what he considers to be excessively high unemployment is a very good idea. If the hon. member had focused his attention on inflation and could produce some new policies in that field, then it might be interesting for the House to consider that kind of an approach.

QUERY RESPECTING INDUSTRIAL STRATEGY

Mr. Bob Rae (Broadview-Greenwood): Madam Speaker, I am glad the minister mentioned the word "focus", because it is the lack of focus of this government on the basic problems affecting the Canadian people which is the real problem facing the country right now.

When the minister talks about focus, I would like to ask him what has happened to the government's so-called industrial strategy which was promised to the Canadian people in the election and which was promised to the Canadian people in the Speech from the Throne. The word "immediate" was used in the Speech from the Throne. It said there would be an immediate industrial strategy.

What has happened to the over-all focus of the government on the basic economic problems facing the country, and why has the government taken the decision to shelve the industrial strategy just at a time when it is clearly something which the Canadian people want and expect from their government? Why is the government abdicating its economic leadership, just at a time when it is exactly what the Canadian people are expecting?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the question is obviously filled with rhetoric, and not being accustomed to dealing in rhetoric myself, I—

Some hon. Members: Oh, oh!

An hon. Member: Even the Prime Minister is laughing!

Mr. MacEachen:—I find it difficult to answer the question. But let me tell my hon. friend that in the budget the necessity of improving performance in the economy, through increased productivity and increased economic development, was recognized through the increased spending which was made available in the economic development envelope, a very substantial increased spending. It is within that envelope that the Minister of Industry, Trade and Commerce, the Minister of Science and Technology, the Minister of Employment and Immigration and other ministers have been developing—within that over-all framework—particular approaches to important sectors of the economy.

I disagree with the hon. member who says that we have made no progress and that we have not developed any industrial strategy. He must accept, as I do, the importance of adjustment in the country as part of an industrial strategy. We just recently announced the designation of several communities which are facing particular adjustment problems. I regard that as an important part of industrial strategy, and if I were not conscious of you, Madam Speaker, I might take some more time and talk about other components of the industrial strategy. But really one cannot deal with that rich subject on the orders of the day.

Mr. Crosbie: You can't deal with it at all, twenty-four hours a day.

GOVERNMENT PLANS TO DEAL WITH HIGH INTEREST RATES

Mr. Bob Rae (Broadview-Greenwood): Well, for someone who does not know anything about rhetoric, the minister did rather well in his answer, rather well in terms of rhetoric. He failed, in terms of substance, because he did not tell us anything at all about why the government has shelved the over-all economic strategy which it promised us during the election and which it promised in the Speech from the Throne. We have had a year pass, and we have had nothing from the government in terms of a basic approach to the economy.

My final question to the minister has to do with interest rates. The minister has been on record as saying, last year in the Speech from the Throne that the interest rate phenomenon was a temporary one, that it was something which would pass, and that relief would be provided to those people who are most seriously affected. I would like to ask the minister now whether he is not pausing to reflect a little bit on the fact that we have been living with interest rates in the stratosphere for an awfully long time, that they show no signs of coming down, and that they are having a devastating effect on the construction industry, on the housing industry, on the car industry, on the forest products industry, and right through the economy.

Does the minister not think that it is time that the government should take the opportunity to say that the interest rate phenomenon is a very deep and difficult one and that the government is prepared to deal with it through the tax system or the monetary system, in order to provide the relief which is