

Oral Questions

Mr. Chrétien: —at the programs of the opposition, they have planned a deficit of \$5 billion more than the government.

INCREASES IN INTEREST RATES—ADVERSE ECONOMIC IMPACT
IN ATLANTIC REGION

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I have a question that I would like to direct to the Minister of Finance. It arises out of the recognition that when the government imposes what can be described as restrictive monetary fiscal policies, it is the Atlantic economy that is first hit and which takes longest to recover.

I wonder if the minister, in consideration of what has happened in recent days and weeks, has come up with a specific and urgent proposal which he is now prepared to put forward that will help ease that type of historical, sudden and very severe impact on the economy in the Atlantic region?

Hon. Jean Chrétien (Minister of Finance): Mr. Speaker, the government has many programs to deal with the problems of regional disparity. When I present my budget, I will direct my attention to that problem.

Mr. Forrestall: Mr. Speaker, I would like to direct a supplementary question to the Minister of Regional Economic Expansion who is fully aware of the historical impact to which I have referred.

In view of the inability or unwillingness at this time of the Minister of Finance or the Prime Minister to indicate specific and urgent strategies which would help to offset this impact, what specific new suggestions has the minister put forward in recent days during his meetings with the Atlantic premiers regarding this type of impact and the very serious situation that faces us this winter?

[*Translation*]

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Mr. Speaker, last week I had the opportunity of meeting the premiers of the four Atlantic provinces with whom I discussed the programs being implemented there. I advised the premiers, as well as my counterparts provincial, of our intention of increasing to the greatest possible extent some of our resource development programs such as in agriculture, energy and industrial structures. In coming weeks, we are going to see just how much we can add to some of those program in order to increase development in those sectors.

● (1422)

[*English*]

Mr. Forrestall: Mr. Speaker, I gather from what the minister said that there is no intention on the part of the government, or that he did not during these meetings bring forward any new initiatives based on the urgency that presently faces Atlantic Canada.

May I ask specifically whether the minister might not now reconsider the very serious cutbacks and their impact, coupled with the impact of the very high, unacceptably high, interest

[Mr. Stevens.]

rates for Atlantic businessmen that he has made in his own development program?

[*Translation*]

Mr. Lessard: Mr. Speaker, the budgetary restrictions which may have affected the Department of Regional Economic Expansion were really quite minimal. One program only could affect the economy negatively, if one can speak of the economy as such, in the Atlantic provinces and that is the program on land registration. But there are other programs for which we shall increase our expenditures so that, all in all, the amounts of money spent by the Department of Regional Economic Expansion in the Atlantic region will not be reduced—in fact, they will be increased in coming months and next year.

[*English*]

INCREASES IN BANK RATE—FURTHER UNEMPLOYMENT
RESULTING THEREFROM

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Minister of Finance. Considering that the unemployment figures which came out today still leave Canada with the highest level of unemployment in the industrial western world, would he confirm to the House that when he discussed the most recent increase of the Bank of Canada with Mr. Bouey—three times on the weekend, I am told—Mr. Bouey informed him that the inevitable consequence of a further increase would be further increases in unemployment? If he was not told that, did the minister ask Mr. Bouey if that would be the result?

Hon. Jean Chrétien (Minister of Finance): Mr. Speaker, the hon. member did not mention that in a year we have created more than 262,000 new jobs in Canada and that unemployment is going down.

Mr. Trudeau: Three hundred thousand.

Mr. Chrétien: Yes, 362,000.

Of course, the government is always preoccupied with the level of unemployment and we keep working on it. I have discussed that problem with the governor of the Bank of Canada. As he explained yesterday to the committee of the House, if we had not moved, it would have created a bigger problem in Canada that in the medium-term would probably have caused more unemployment. I think the stability of the Canadian economy and currency is fundamental to proper economic growth in this land.

Mr. Broadbent: Mr. Speaker, the minister took almost two minutes not to answer the question, so I will not trouble to repeat it. Considering that probably the most disturbing figure in all those that came out today showed that we experienced a net loss of 11,000 manufacturing jobs in the past month, for the second month in a row, would the minister not agree that we are now experiencing the delayed effects in the economy of the five previous increases in the bank rate?