

lose jobs particularly in the province of Quebec. If that is not the policy of the Government of Canada, why is that spelled out in the document circulated by the Government of Canada?

Some hon. Members: Hear, hear!

Mr. MacEachen: Mr. Speaker, I think the conclusions the hon. Leader of the Opposition has drawn are totally absurd. Whatever background document he is using may be a background for circulation but it does not represent the negotiating position of the Government of Canada—by no means.

GATT BRIEFING NOTES—SUGGESTED PROGRESSIVE REDUCTION OF EMPLOYMENT BASE

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, my question is supplementary and is directed to the Deputy Prime Minister. Like it or not, these were briefing notes prepared by a government department, endorsed by the deputy ministers concerned with trade and industrial policy. The government cannot dissociate itself from the thrust which is contained in the document.

The document reads, "Some industries will, however, remain the focus for industrial adjustment". These include textiles, clothing, footwear, furniture and some electronics industries. Given the fact that in these industries the aim will be to reduce progressively the employment base behind the minimum of transitional protection, I should like to ask the Deputy Prime Minister how many jobs the government intends to phase out by progressively reducing the employment base as the document indicates. What is meant by "transitional protection"?

Hon. Allan J. MacEachen (Deputy Prime Minister and President of Privy Council): Mr. Speaker, once again the hon. member asking the question has quoted from a document which has not been clearly identified to me and which is put forward as the negotiating position of the Government of Canada. I want to make it clear that it does not represent the negotiating position of the Government of Canada. Only a member with a very lurid imagination would regard it as such.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Miss MacDonald: Mr. Speaker, it takes very little imagination to deal with the positions this government puts forward. For the information of the Deputy Prime Minister, the document is headed "Briefing Notes for Consultative Task Forces". Since the document indicates that 244,000 people are currently employed in the leather, textiles, clothing, furniture and shipbuilding industries and predicts that a substantially lower number of workers would be affected by the government's adjustment process—that is, the phasing out of their jobs—would the Deputy Prime Minister give the government's estimate on lost jobs, based on the prediction it is making?

Oral Questions

● (1422)

In view of the hardship that that kind of policy will cause for some people in textiles communities, will the government reconsider its position at GATT and exempt textiles from the current round of GATT negotiations?

Mr. MacEachen: Mr. Speaker, I dealt with the question of textiles yesterday in reply to a question from the hon. member from St. John's. I informed the House that at the present time there is a disposition amongst all the negotiating partners at Geneva that textiles would be one of the industries that would not experience deep cuts. That is the present atmosphere at the negotiations because there are a number of countries, including Canada, which are very concerned about the effect of any rapid reduction in protection.

The hon. member ought to realize, as well, that a very important part of the negotiating strategy, especially that of the European Community, is the view that any cuts on industrial products in particular should be extended over a long period—possibly over a period of ten years. At the end of the first five years, it is suggested that the matter be reviewed to assess the impact that the preceding five years might have had.

Miss MacDonald: Mr. Speaker, would the Deputy Prime Minister explain just how deep are the shallow cuts that he is referring to?

* * *

UNEMPLOYMENT INSURANCE

REMOVAL OF CERTAIN BENEFITS—INCREASE IN WELFARE COSTS TO PROVINCES

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I direct my question to the Prime Minister. Two changes in the unemployment insurance regulations in the fall led to a saving of some \$135 million to the federal treasury. Since these changes have resulted, first, in the removal of unemployment insurance benefits for thousands of Canadians, and this in turn has now produced an increase in welfare costs of millions of dollars for the provinces and the municipalities, I would ask the Prime Minister: Will he now commit the federal government to reimbursing the provinces and the cities who must rely on increased property taxes to pay for this additional burden?

Hon. Bud Cullen (Minister of Employment and Immigration): Mr. Speaker, I would suggest to the hon. leader of the New Democratic Party that he read the reports put out about the impact of the changes that were made in the bill with respect to welfare. These figures were exaggerated tremendously by the Leader of the Opposition when he suggested that when 40,000 people went off UI payments, 40,000 people automatically went on welfare each month. In point of fact, the figures were not that high for the entire year. We also pumped into all of these regions, in a very weighted way, millions of dollars to counteract that impact.