

*Oral Questions***ORAL QUESTION PERIOD***[English]***UNEMPLOYMENT**

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is for the Minister of Finance. Fact: the recession has been going on for 30 months. Fact: by the government's own admission it is a made-in-Canada recession. Fact: 1,600,000 Canadians are not working. Fact: 2,300,000 Canadians are on welfare. Fact: one million Canadian children are living in poverty. Yet the pre-Christmas message of the Minister of Finance last week was: stay the course, our economic policies are working.

If this government is doing such a good job, why does Canada have the highest unemployment rate in the western world? Why is our jobless situation worse than that in the United States, Britain, France, Germany, Japan and even Italy?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, I would have thought that the hon. member would have been pleased and satisfied to note that the prime interest rates fell today. The Bank of Montreal lowered its rate to 8.75 per cent, as did the Royal Bank and the Toronto-Dominion Bank. It is a very positive outcome arising from the economic plan I announced in the House on behalf of the government last week.

The economic plan I announced is about creating jobs, creating new opportunities, investing in growth, investing in people, investing in infrastructure, investing in new efforts to trade and investing in partnerships.

In the small business sector alone, which is the most important engine of economic activity in Canada, we took several steps; freezing UI premiums, a premium holiday on new employees, a 10 per cent investment tax credit, improved access to capital, improvements in R and D, improvements in the treatment of capital cost allowance. All of these are positive measures that will generate growth and job activity.

[Translation]

Ms. Sheila Copps (Hamilton East): Mr. Speaker, in fact, the number of welfare recipients in Quebec alone is rising by 3,000 a month. Six hundred thousand people

just in Montreal live in poverty. However, the policies announced by the minister last week will force more unemployed people onto welfare as of April 1. The government will therefore claim that the unemployment rate has gone down, when in fact the minister is not solving the unemployment problem but is putting more people on welfare, which costs the provinces and municipalities more.

• (1420)

Does the Minister of Finance think that by reclassifying people who are out of work they will disappear?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Mr. Speaker, given the country's economic situation, we should instead look at the measures put forward by the Minister of Finance and the government and how we can help these unemployed people.

As a government, we decided that we had to invest massively in developing human resources, both in Quebec and in the rest of the country. That is why, for example, \$400 million was spent in the past three years to train the unemployed and jobless. This amount was raised to \$2.2 billion this year and tens of thousands of unemployed people will have a chance to acquire skills with which they can return to the labour market.

We must consider how we can help people. To encourage investments, we need a skilled work force, and that is where the emphasis was put in last week's statement.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, last week, the minister said that these policies, which would put the unemployed on welfare, showed that the government had balls. I, for one, am glad I do not have any. Today, more than two million people are on welfare, and these policies will put even more people on welfare.

Why does the Minister of Employment and Immigration keep hurthing the neediest in our society? Why are his policies so unfair?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Mr. Speaker, the truth is that since the last recession in 1981-82, people who exhaust their unemployment insurance benefits and go on welfare represent about 10 per cent of the total. To hear the hon. member talk, you would think everybody was going on welfare. The statistics are clear. They show that 70 per