

Oral Questions

Mr. Chrétien: It is a technique used in other jurisdictions in the past which produced good results. I have discussed that procedure with my provincial colleagues and they have agreed to come along. I think it is a novel thing. It is the first time we have managed to put forward measures in conjunction with the provinces. The hon. Leader of the Opposition should read the comments of the minister in charge of the treasury in Ontario, who said it was a very good measure and who supported it all the way.

Some hon. Members: Hear, hear!

Mr. Clark: Mr. Speaker, what the minister, in his incompetence, does not seem to recognize—

Some hon. Members: Oh, oh!

Mr. Clark: —is the very fact—Mr. Speaker, I will let them attempt to shout me down. My question can wait until members on the other side stop shouting. The Prime Minister is trying to quiet down you fellows. Thank you very much.

An hon. Member: He is not.

Mr. Clark: The precise difficulty with this limitation is that if people go out and buy at all, they will go out and buy now, and spending plans which might have created a demand in October, November or December when unemployment will be high will be bunched into the immediate period. You are creating problems for the fall because the government wants to have an election document now, rather than an economic document for the country.

Some hon. Members: Order.

Mr. Clark: I come back to the Minister of Finance and ask this question: Why did he choose to limit this to six months instead of bringing in at least a year long some more permanent stimulus to the economy? Why is he sacrificing the interests of the unemployed for the electoral interests of the Liberal party?

Some hon. Members: Hear, hear!

Mr. Chrétien: Mr. Speaker, I think this is a novel measure which was agreed to by the ministers of finance of all the provinces except one, and I am awaiting that answer. The political stripes are all over the place and they are not the same as mine. The hon. member should know it is designed to stimulate the economy right now. If we stimulate the economy in a short time, utilization of the capacity in the Canadian industrial sector will be increased. That will induce industrialists to make plans right away to expand that capacity. I think the hon. member should know that.

It is aimed at stimulating the economy in a short period of time. I think it is very novel. It was experienced before in Ontario. When that was done some years ago in Ontario, when its sales tax was cut for a period of time experience proved that it stimulated the economy in Ontario; and with the push they

[Mr. Hees.]

received from the same stimulus, they kept moving after that, using the push they received at the time of the cut.

Some hon. Members: Hear, hear!

Mr. Clark: Mr. Speaker, the minister well knows the Ontario government introduced its measure in the winter and not in the summer.

Some hon. Members: Hear, hear!

Mr. Clark: The minister is saying that this is a novel approach. Certainly it is a novel approach for the Government of Canada to introduce a measure which will probably make unemployment worse. I am asking the Minister of Finance to tell the House of Commons why he gave us this half measure; why he gave us a six-month measure instead of a measure which could really address the problem of unemployment in the country. Why did he place this limitation on the effectiveness of this stimulus?

● (1422)

Mr. Chrétien: I gave one reason earlier: I wanted to give the economy a push right away. There was another reason we did not go further than that.

Some hon. Members: An election.

Mr. Chrétien: No. It was because we could not afford to go further.

Some hon. Members: Hear, hear!

GOVERNMENT ATTITUDE TOWARD HIGH LEVEL OF
UNEMPLOYMENT

Mr. James A. McGrath (St. John's East): A supplementary to the Minister of Finance. Given the fact that the unemployment rate is now running at 8.6 per cent, a figure which was predicted by the Conference Board as likely to be the rate at the end of this year—and we are not even half way there—and given the fact that the measures announced by the minister would reduce unemployment by only .3 per cent, is it the position of the government that one million Canadians should be doomed to unemployment for the rest of this year?

[Translation]

Hon. Jean Chrétien (Minister of Finance): Mr. Speaker, we have chosen this incentive so that our economy could improve immediately. This measure has helped the economy out of stagnation and we hope that once the economy is better it will enable us to reduce the rate of unemployment during the coming year. I hope we can achieve a growth rate of 5 per cent this year. This is why I have added another incentive yesterday; it should help us achieve the objectives we set last fall.