

Oral Questions

member today that I am following quite a different fiscal policy from that which he supported a year ago.

An hon. Member: What a disaster.

Mr. Stevens: Madam Speaker, this Minister of Finance does not have to tell anyone in Canada that he is following a different fiscal pattern.

Mr. Nowlan: It is irresponsible.

Mr. Stevens: With the falling dollar, the rising interest rates, the rising unemployment—in numbers, not statistics—the rising inflation, that fact is obvious to all Canadians.

Will the minister answer my question? CMA has indicated that by changing the definition of manufacturing to include marginal manufacturing with respect to the implementation of sales tax, he is driving more and more manufacturing into foreign lands and creating more and more unemployment in this country. If the minister is aware of this, will he tell the House that he is going to correct the mistake that now exists in his budget?

Mr. MacEachen: Madam Speaker, there was absolutely no mistake made in the budget in moving to this change. The idea was to provide for greater equity within the tax system and to provide equality of treatment for Canadian producers in comparison with imported goods. I would think that that objective would appeal to the hon. member.

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● (1420)

THE ECONOMY

FORECASTS RESPECTING INFLATION—EFFECT ON UNEMPLOYMENT

Hon. John C. Crosbie (St. John's West): Madam Speaker, the only equal treatment in the budget is that everybody is getting shafted equally.

Some hon. Members: Hear, hear!

Mr. Crosbie: My question is addressed to the Minister of Finance. I remind the minister that there were 787,000 people unemployed in November. The minister has forecast this will average 1,026,000 people during 1981. He also forecasts that food costs will go up 12 per cent in 1981 while the latest forecast of the Canadian Imperial Bank of Commerce is that food prices will go up 15 per cent. The minister's solution is to suggest that Canadians accept a lower standard of living. The Prime Minister's solution is that Canadians should change their priorities and spend more on food and less on other things.

My question is this. Will the minister reconsider those solutions, which are unpalatable, and now bring in a budget? We have not yet had one. We just had a cop-out attached to a smash and grab raid on the energy industry. Will he bring in a

budget and policies which will help Canadians overcome unemployment and help them overcome inflation?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I would point out to the hon. member in case the facts have escaped him that the seasonally adjusted unemployment rate is down from 7.6 per cent to 7.3 per cent. This decrease in the seasonally adjusted unemployment rate is due entirely to an improvement in the employment situation. Over the past year, the number of new jobs has increased by more than 200,000. The unemployment rate today in Canada is less than that existing in the United States. These are some of the facts the hon. member conveniently forgets. I wonder whether he could think up some new questions which have not been asked 20 times in the past two weeks.

Mr. Crosbie: Madam Speaker, the only thing that can be said of the minister is that he has the guts to answer and the Prime Minister has not. However, his answers are still not satisfactory. Let me point out to the Minister of Finance that the reason the adjusted figures are down is because the labour force totals are down in Newfoundland and Ontario as workers there have given up looking for jobs, knowing there are none to be found. If the minister looks at the Economic Council of Canada report on Newfoundland, he will see the phenomenon described in ample terms. The minister has forecast unemployment for over one million Canadians next year. He has forecast increases in the cost of living of 10.2 per cent and in food prices of 12 per cent. These have since been revised upwards.

In a speech in Halifax on September 9 the minister said and I quote:

Let me assure you that it was to create jobs, improve living standards and promote greater equity that I took the position of Minister of Finance.

If the minister took the position for that reason, how is it that jobs are being lost and that over a million will be unemployed next year? He is now telling the Canadian people to lower their standard of living. His only concept of equity is that Canadians cease spending on other things and spend more on food. Will he explain why he is still minister if that is his reason for being minister?

Mr. MacEachen: Madam Speaker, may I just correct an error which crept into the hon. member's rather excited, frenzied and repetitive question, a question by the way that he picked up from the hon. member for Broadview which was asked and answered about two months ago. Let me tell the hon. member he is wrong in talking about the labour force. We have scored this improvement in employment in Canada despite virtually no change in the labour force in the country. The hon. member ought to get his facts straight before he poses questions.

Mr. Crosbie: You get yours straight.