

Oral Questions

al implications of its policies. Whether in the fight against unemployment or in the area of industrialization, the government has always considered the particular concerns and problems of the regions, and this same policy was followed in the last budget. The problem mentioned by the Leader of the Opposition is of constant concern to the government.

[English]

INCREASED GROWTH IN RATE OF HIDDEN UNEMPLOYED

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, some preoccupation! It means that the rate of permanent unemployment in the province of Quebec and in much of Atlantic Canada is double the rate in the rest of the country. I suppose we can ask that the rest of the country be spared that kind of special preoccupation.

Let me return to the Minister of Finance. He will know that one other impact of his government ignoring the Canadian economic situation has been a dramatic growth in the rate of the hidden unemployed in the country. Statistics Canada indicated that the rate of hidden unemployed—Canadians who are simply giving up hope and stopping their search for jobs—rose 25 per cent last year. We have a situation where one agency of government has identified those people. I ask the Minister of Finance whether his department intends to do anything to help those people who are out of work and have lost hope to such a degree that they are not even looking for work.

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I think the right hon. member's rhetoric must be put in perspective and in context. The context is that the employment situation in Canada over the year 1980 was such that we registered a drop in the level of unemployment in January, 1981. The number of persons unemployed in January, 1981, was less than it was in mid-1978. The over-all strength of the Canadian economy in producing jobs, despite the serious level of unemployment, was quite considerable in comparison with other countries, especially the United States. We are concerned about unemployment. That is why we have launched this special adjustment program, which I described earlier. We are not in a position like that of the Leader of the Opposition, who advocates new measures of spending one day, and restraint and a battle against inflation the next. We do not have the luxury of inconsistency which the official opposition portrays every day.

● (1420)

GOVERNMENT'S MONETARY AND FISCAL POLICIES

Hon. James A. McGrath (St. John's East): Madam Speaker, my supplementary question is for the Minister of Finance. I want to assure the minister that we are not engaged here in rhetoric. We are engaged in the potential tragedy and human suffering behind those figures. There are 1,300,000 people, given the real rate and hidden rate of unemployment, in Canada today, some 1,300,000 potential human tragedies.

In light of the lowering of real wages, the increase in the cost of unemployment insurance premiums, the lowering of the rate of unemployment insurance benefits as a result of continuing double-digit inflation, and the increase in the hidden rate of unemployment and the real rate of unemployment, I ask the minister, one year after he has assumed his responsibilities, will he now discharge the commitment he made when he was in opposition that the government should not be waging its monetary and fiscal policies on the backs of the unemployed and the poor?

Some hon. Members: Hear, hear!

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I am again surprised at the inconsistency in the attitude of the official opposition. Earlier in the week the member for St. John's West was advocating a strong stand against inflation and a strong stand against spending, as has been the case throughout the last several months. Today the hon. member takes a different course, like his leader, and suggests new expensive programs. I would ask him how he can balance these two contrary objectives, one day advocating spending more in the way of stimulation of the economy, and the next day advocating a reduction in the deficit by spending less. I do not have the luxury, as Minister of Finance, of speaking out of both sides of my mouth.

Mr. McGrath: Madam Speaker, I would suggest to the minister that if he wants guidance he should take a look at President Reagan's economic package which he presented last night.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. McGrath: The President of the United States made a commitment that there would be no decrease in social payments in the United States.

Some hon. Members: Oh, oh!

Mr. McGrath: What we are talking about in Canada is a change in priorities. Will the Minister of Finance rearrange his priorities so that he can discharge the commitment he made a year ago to the poor, the low-income earners and the unemployed of this country? We have seen during that year a total erosion of the \$35 income supplement, which is all he has in his bag.

Some hon. Members: Hear, hear!

Mr. MacEachen: Madam Speaker, the statement made by the hon. member about the guaranteed income supplement is totally false. The guaranteed income supplement has not been eroded.

An hon. Member: It sure has.