

us think that people in this country are not hurting. We all know that we have good social policies and good social programs in this country. Obviously, they are somewhat inadequate. The fact that we have social policies and social programs does not in any way make up for the fact that we need sound economic policies which take into account people, families and their financial situations and which have some compassion and seek to help those who are hurting in this present inflationary climate.

The minister brought in a budget which he felt recognized the chief economic threat in Canada today as being inflation. He has the gall to go on from there and say that because there is now additional inflation, since he predicted inflation this confirms that he has adopted the proper economic strategy in his budget.

Clearly, this is just an attempt to pull the wool over people's eyes and evade responsibility. Once again he fails to deal with the economic situation. The minister merely attempts to smooth it over, to deal with it in a cosmetic manner, not a real economic manner, not in the manner of putting together better policy and more action. The minister also indicated in his statement that he wished to maintain government expenditures within economic growth. That is a good objective, but the problem is that it is backward. It has things turned around.

What the government should be doing now is seeking to stimulate and promote growth so that we can afford the expenditures which are necessary in the country to meet people's needs. The government seems to fail to recognize that it has a responsibility at all levels for the economic policy and the general economic health of this country. The minister talks about what he has been hearing from this side of the House. He has basically two simple points; he calls for a reduction in the deficit and for increased expenditures. He attempts to paint himself as being in the responsible middle.

This suggests to me that all the minister and the Liberal government have is a political strategy, a public relations strategy, but no economic strategy which is what we need. I would like to say a bit about what the economic situation is, as I see it, and put some facts before the government so that it will have something solid upon which to reflect, rather than merely their own rhetoric.

With regard to mortgages, it is still a dream, and a legitimate one, of Canadians to own their homes. From 1975 to 1979, the average mortgage rate was 11 per cent. On a \$50,000 mortgage over a 25-year period, this would have meant a payment of \$481 a month one year ago. When the interest rate went up to 14.75 per cent, the mortgage payment jumped from \$481 to \$614. This occurred under the Tory administration. Today we are up to 18 per cent mortgages and the monthly payment will be \$733, as compared to \$481 per month in 1979. Clearly, people cannot afford to pay that kind of increase in mortgages if they are to own their own homes.

It is not only in the area of home ownership and mortgages that the economy is causing problems. There is also the problem of unemployment. The officially unemployed in November was 787,000. That in itself is a very high statistic

Economic Conditions

and should be enough to shake the government and convince it that economic measures are necessary, that people need help and work. But when one takes a look at what the real unemployed rate is for this country, they will find that the figure is 1,322,000. Clearly, that is a figure which is shocking and justifies the Chair's acceptance of the motion under Standing Order 26 and the fact that this House has been dealing with the question of the economic situation and the economic crisis in Canada all through the night and into today.

As well as these figures with regard to the levels of unemployment, there are figures which illustrate the same kind of problem when we deal with lay-offs. There have been great lay-offs particularly in the province of Ontario. Plant after plant over the past year has had lay-offs. I know that in my own province of Manitoba the same situation prevails. There have been plant closures with no hope of economic stimulus. The Swift meat plant closed and recently the Maple Leaf flour mills closed. Certainly in a province like Manitoba we cannot afford to have lay-offs and plant closures, particularly since in that province we are suffering under both a federal Liberal administration and a Tory provincial administration.

Mr. Rose: That is double jeopardy.

Mr. Keeper: It is certainly double jeopardy when we are getting hit by both sides, and, by God, that is getting hit harder than anybody should be hit. I must say at this point that it would be wise to indicate that while the Tories are now free in opposition to criticize the government on interest rates, I find it interesting, although I was not here in the House in the last Parliament, to read in *Hansard* how the Tories responded to questions about their high interest rate policies and their lack of control over interest rates.

Mr. Blenkarn: That was low interest.

Mr. Keeper: The hon. member may think it was low but the people of Canada did not think so.

Mr. Blenkarn: Compared to today?

Mr. Keeper: The minister of finance under the short-lived Tory government said in response to a question on interest rates from the hon. member for Broadview-Greenwood (Mr. Rae), "I do not plan to take any action. We have a market economy." That is the attitude of the Tories with regard to interest rates. That was not the only occasion. This was not merely an accidental utterance by the then minister of finance. My hon. friend for Winnipeg North Centre (Mr. Knowles) asked a question with regard to interest rates as well. The prime minister of the day, now the Leader of the Opposition (Mr. Clark), said: "What this House can do if it has a practical alternative which is preferable to the policies being recommended by the Bank of Canada and by this government, is to make those policies known to the standing committee".