

Inquiries of the Ministry

Prime Minister whether he can announce any specific adjustments in the economic policies of the government designed to offset the very serious unemployment figures which were announced today. I put this question to him now, especially in the light of the very large numbers of young Canadians who are entering the work force at the present time.

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, as you would be the first to recognize, it is extremely difficult for a minister, during the question period, to make the sort of statement for which the Leader of the Opposition is asking. I say this particularly in the light of the fact that tomorrow the hon. gentleman's party has asked for a debate on this subject, at which time the ministers concerned can deal at length and in sufficient detail with this question.

Mr. Stanfield: I think it is important that the minister answer a question related to government policy, Mr. Speaker. He is not entitled to assume what the subject of the opposition day tomorrow will be.

Some hon. Members: Hear, hear.

Mr. Stanfield: I should like to ask the Acting Prime Minister specifically whether it is the policy of the government that this cruel level of unemployment is essential to an effective fight against inflation.

Mr. Sharp: I did not make my assumption without having reason to believe that the motion had been laid on the table in connection with the subject to be debated tomorrow. I think that would be a good time at which to have a full discussion of the subject, one which I believe to be worthy of full consideration in this House. I think it ought to be dealt with at that time and not by way of questions.

Mr. Stanfield: No doubt it is very good of the Acting Prime Minister to tell us how we should conduct ourselves in the opposition, and what questions we should ask. I would ask the hon. gentleman specifically—and I hope I shall get an answer this time—whether in view of these unemployment figures, and in view of the deteriorating business outlook, and in view of the disappointing number of housing starts in the first four months of the year, it is the opinion of the government that unemployment must be increased still further. Specifically, I ask the Acting Prime Minister whether the government still proposes to introduce the consumer credit regulations for this purpose.

[Mr. Stanfield.]

Mr. Sharp: Mr. Speaker, I will draw the attention of the Minister of Finance to these questions because I expect that if, as I believe, the hon. gentleman's party proceeds with this motion tomorrow, he will reply. I believe that these are important questions. I am not in any way saying that the subject of unemployment is not a serious one; but I do feel quite seriously that it could not be dealt with adequately at question time.

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I have a supplementary question. In view of the fact that the figures just released indicate that in mid-April this year there were 112,000 more unemployed than at mid-April last year, and in view of the fact that this increase is particularly predominant among young people, and that the number of persons unemployed for a length of time over three months, even over six months, has increased dramatically, can the Acting Prime Minister indicate to the House whether the government intends to follow the example of the federal reserve board of the United States, which since mid-March has been moderately increasing the money supply so as to give some stimulus to the economy and provide a greater measure of employment?

Mr. Sharp: Mr. Speaker, there have been some changes, as was indicated in the House the other day, in monetary policy. There has been some slight easing. It is also noteworthy that the Bank of Canada and the government had to take measures to offset the very great increase in liquidity which arose from the increase in reserves. This is an indication of the very great confidence that the world has in economic conditions in Canada and in the future of this country.

Mr. Douglas (Nanaimo-Cowichan-The Islands): A further supplementary question, Mr. Speaker. In view of the fact that on the domestic scene retail sales have gone down by \$2 billion in the month of March, and that housing starts are down from 250,000 to 168,000, may I ask the Acting Prime Minister whether the government is giving any thought to creating employment and stimulating economic growth by means of removing the 11 per cent sales tax on building materials, and having the Minister of Finance meet with the banks and lending institutions to see whether interest rates on mortgages can be lowered?

Mr. Sharp: Mr. Speaker, I think one of the interesting developments in the housing situa-