

Oral Questions

reduce its deficit while he is expanding his own deficit here in Canada? Why is he not willing to practise what he preaches?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, the Hon. Member will be happy to learn that between 1975 and 1981 the Canadian Government, this Government, did reduce the share of the GNP taken by a budget deficit. We achieved a very good record of dealing with this issue on a gradual basis. With the recession which has developed in the last three years, contrary to many other countries, contrary to the advice from a number of Conservative spokesmen on the other side, we have not cut into the social security safety net in this country. We have maintained our help for those in need.

Some Hon. Members: Hear, hear!

Mr. Lalonde: This is what we have done. The deficit is high. We have indicated that it is high and it will come down only gradually over the next few years as recovery takes place.

Concerning the deficit, I have already indicated that we would cut the financial requirements of the Government, in terms of proportion to the Gross National Product, by half over the next four years. As I said, we will continue to address this issue responsibly.

As far as the United States is concerned, it is indeed facing a very serious problem because, not only is its deficit large, but the total amount of money required from the financial markets is huge, over \$200 billion, in an economy which has a savings rate which is about half of our savings rate in Canada. I have had discussions this very morning with representatives of private bankers in the United States who are also stressing the importance of the sheer size and magnitude of the U.S. deficit.

● (1440)

We have not told the American authorities or the six other countries that the deficit was not important in Canada. We said we should act together in parallel. I am very happy that we will have the full support and co-operation of all the participants in the Summit in that regard. It has been a very remarkable Summit indeed.

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LABOUR CONDITIONS**LEVEL OF UNEMPLOYMENT**

Mr. Nelson A. Riis (Kamloops-Shuswap): Madam Speaker, my question is for the Right Hon. Prime Minister. After reading and listening to his comments just prior to the Summit, during, and following the Summit, I am sure many Canadians were disappointed when the Prime Minister really failed to mention those people who were suffering the most as a result of the recession, namely, the two million unemployed in Canada. Does the Prime Minister believe that two million unemployed in Canada constitute the cost of the recovery process that we simply must accept as a fact?

Right Hon. P. E. Trudeau (Prime Minister): No, Madam Speaker. If the Hon. Member were to look at the budget and co-operate in its adoption, he would be very happy to see that the \$2.4 billion in particular that the Minister of Finance has set aside for immediate job creation through the building of infrastructure in Canada is a very sizable sum which will create jobs in the immediate future. I am informed that the spending of the \$2.4 billion has already been allotted and announced. That is creating jobs now.

In the medium term there is another \$2.4 billion as an incentive to the private sector to create more lasting jobs—

Mr. Lalonde: And the Crow.

Mr. Trudeau: The Minister of Finance also reminds me that there is some \$3.4 billion we have allocated if we can get the Crow legislation adopted by the House, which would create jobs throughout the whole country and, in particular, modernize the infrastructure of transportation in the West.

EFFECT ON ECONOMY

Mr. Nelson A. Riis (Kamloops-Shuswap): Madam Speaker, I want to say to the Prime Minister that, in spite of the sums of money that he has mentioned, there are many of us in the House who feel that those sums are inadequate to deal effectively with the problem. Many of us feel that the problem is much more severe than is being admitted today.

Does the Prime Minister believe that economic recovery in Canada can take place with the albatross of two million jobless around the neck of the economy? Is it possible with two million unemployed?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the question seems to be somewhat tautological to me. If we had an improvement of the economic situation, and the signs are there, we will obviously be reducing the number unemployed. The Minister of Finance has made it quite clear that this will take time. Therefore the question does not seem very meaningful to me. Of course we can have recovery with a million and a half unemployed. It is happening now. But the answer to whether we will be happy with that measure of recovery is no. We would now want a recovery which would also eventually create jobs for this million and a half unemployed.

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[Translation]

FISHERIES**INQUIRY WHETHER PROVINCE OF QUEBEC WILL RETURN BOATS TO MAGDALEN ISLANDS FISHERMEN**

Mrs. Eva Côté (Rimouski-Témiscouata): Madam Speaker, I am not so sure whether I should ask this question because it is directed to the Minister of Fisheries and Oceans who . . . has now arrived in the House! We all know that the Quebec