

Oral Questions

as no surprise to the hon. member, or to anyone else, that we have a substantial demand upon the fund at the present time because of the current very serious economic circumstance. I would point out to the hon. member again, in case he has forgotten, that this government substantially reduced the premiums on unemployment insurance in that November budget. We provided substantial savings to both employers and employees in that budget. That saving provides a major asset at this point in time. There is no projection of figures. It is one we would simply calculate based on quarterly assessments of UI draws.

REASONS FOR DEFICIT

Hon. John A. Fraser (Vancouver South): Madam Speaker, the minister said, "It may mean there will have to be some increases in rates next year." I come back to my question which the minister was careful not to answer. If the deficit that was in the budget in November was based on an unemployment rate of 7.8 per cent, and if the minister is now confirming what his officials are indicating, that the premium rates will have to go up to cover a much greater deficit, can the minister tell us whether there are any projections whatsoever within his purview which indicate that the unemployment rate of 7.8 per cent which was predicted for 1982 is wrong? If the minister now says there may be a deficit, to what does he attribute that deficit—a wrong estimate of unemployment or increasing unemployment? If it is increasing unemployment, will he kindly tell us what that increase is going to be?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, I think the important words in the statement I made were that there may have to be a raise in premiums, depending upon the draw on the fund. There was no confirmation. There may have to be a raise if unemployment stays at the present level of 8.3 per cent. That is a conditional statement, not a confirmed statement. I would simply say that is the basic practice. Each year we estimate what the draw will be upon the fund and what the premium requirements will be for the following year to make it up. Last year we had a substantial surplus of over \$300 million. As a result, we substantially reduced the premiums. We will want to assess that as the year progresses and at the end of the year determine whether we have to raise or lower premiums, depending on the state and condition of the fund. I would caution the hon. member not to get too excited.

REQUEST FOR UNEMPLOYMENT FORECAST

Hon. John A. Fraser (Vancouver South): Madam Speaker, I am sorry if I have to be cautioned not to get too excited. The minister's comments have led to speculation that his own department probably now has different figures of what it expects the unemployment rate will be during 1982. I do not want the minister to fudge on this. I am asking whether the minister has any figures which lead him or his officials to believe that the unemployment rate for 1982 will be different from the 7.8 per cent presented in the budget of his colleague.

We know that a lot of the projections in the budget have been wrong. I am giving the minister a chance to indicate whether he is working on a new forecast. The country is certainly entitled to know that. I do not think I can be accused by the public, the workers, or their employers, of getting too excited about the matter.

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, I appreciate the opportunity the hon. member gives us to clarify the situation because the only speculation that is being raised is on the part of the hon. member and in some news stories trying to develop projected figures. We say the reality now is that there is an 8.3 per cent unemployment rate. That is a serious and tragic circumstance. We are taking a number of steps to offset it. In the hon. member's province alone we have signed close to 40 work-sharing agreements which are putting thousands of workers back to work in his province. The same is true right across Canada. We are not going to engage in the kind of speculation the hon. member does. We are not in the business of raising false alarms as the members of the opposition do.

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ENERGY

ALSANDS PROJECT—QUERY RESPECTING POSSIBLE ALTERNATIVE PRODUCTION

Mr. Jack Shields (Athabasca): Madam Speaker, my question is for the Minister of Energy, Mines and Resources. The minister has stated on a number of occasions that the Alsands project is not needed for Canada to reach energy self-sufficiency by 1990. Indeed, last Friday the minister would not give a guarantee that the Alsands project would proceed. What alternative does the minister have to replace the shortfall of 130,000 barrels of oil from the projected production of Alsands?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I have indicated that we should do everything we can to get the Alsands project proceeding and that this production would be extremely useful in achieving our goal of self-sufficiency. The latest forecasts we have of production coming out of the east coast offshore production and the Beaufort Sea production indicate that we can count on at least 200,000 barrels being available from that production by 1990.

PRODUCTION FORECASTS

Mr. Jack Shields (Athabasca): Madam Speaker, I wonder if the minister realizes that these forecasts along with the *Ocean Ranger* are now at the bottom of the sea. From the information the minister has given us, it is indeed a black day for Canada when he admits in this House that Alsands is not required, to the detriment of jobs in Canada and our economy with its weak dollar. I have nothing to ask him because he has indicated in this House very clearly—