

*Oral Questions*

the television program or, if he did, that he switched it off much too soon. I did point out quite clearly we could not talk of a recovery in the true sense when there were still a million and a half Canadians unemployed. I made that point very emphatically. That is why I enjoined Canadians to continue to keep inflation down. We all know that, if inflation is down, investment will proceed, and if investment proceeds, jobs will proceed. In fact that is sustained by empirical evidence. I gave the figures of the last four months when new employment was created at a record-breaking rate. That, Madam Speaker, is because the recovery is beginning to be in sight and investors are beginning to realize they can plan for a more prosperous future. That creates jobs and tends to reduce the number of unemployed.

It is not a very complicated message. Its essence, if I can simplify it for the benefit of the Hon. Member, is that we must continue to do as we have in the last year in keeping inflation down. That is the essence. I dare the Hon. Member to take issue with that statement and say that, on the contrary, we should let inflation go up again and somehow this would help the unemployed.

## PURCHASING POWER OF CONSUMERS

**Hon. James A. McGrath (St. John's East):** Madam Speaker, I do take issue with that statement. How can the Prime Minister and his Government expect employment to continue to grow when, as the first quarter GNP figures show, the real purchasing power of Canadians continues to decline? It has in fact declined by 3.3 per cent, whereas in the U.S. it has increased by 2.7 per cent. Interestingly enough, unemployment in the U.S. will soon be below double digit, whereas we are told by the Minister of Finance to continue to expect double digit unemployment in this country until the end of the decade. How can we expect employment to grow in this country, how can the Prime Minister offer any hope to the unemployed in this country, when that is the reality we have to deal with in this place?

**Right Hon. P. E. Trudeau (Prime Minister):** Madam Speaker, first of all the Hon. Member is misquoting the Minister of Finance. Second of all, he asked how I can offer any hope. I think that is really a partisan question. We on this side of the House believe there is hope for Canada, those on the other side do not believe in hope. That is the whole difference between us, and I will never be able to convince them that this country does hold out hope for Canadians.

● (1420)

## INCREASE IN LONG-TERM UNEMPLOYED

**Hon. James A. McGrath (St. John's East):** I would like to take the Prime Minister's word. I would like to know where the hope is. What hope can I offer to the long-term unemployed of this country who have risen by 262,000 since last

year? As of May we have 795,000 Canadians who are considered to be long-term unemployed, an increase of over 260,000 over last year. Real purchasing power continues to decline. Canadians will not continue to spend their savings. Where is the job growth the Minister talks about? Where is the hope he talks about? I ask the Prime Minister, now that he is in the House of Commons, to deal with reality.

**Right Hon. P. E. Trudeau (Prime Minister):** Madam Speaker, the Hon. Member asks how consumers will continue to spend and have hope if this situation is as bleak as he said. He need only consider the statistics. Housing starts are up. Job creation is up. Consumer demand is up. Industrial production is up. Investment is up. Obviously—

**Mr. Stewart:** Gallup Polls are up.

**Mr. Oberle:** Your time is up.

**Mr. Trudeau:** Obviously, Madam Speaker, there is no time when everything is perfect anywhere.

**Mr. Deans:** Unemployment is up. Bank profits are up.

**Mr. Trudeau:** There are always some negative signs that one can see, and that is the reality of Government. There is no time that is perfect. However, there are two approaches to the present situation. One is to consider only the negative signs and to say we must therefore be ruined as a country, and the other is to balance the negative and the positive signs and see if things are more positive on the other side and, if so, legitimately to hold out hope for the people of this country. That is our approach as opposed to that of the other side.

**Some Hon. Members:** Hear, hear!

**Miss MacDonald:** There will be hope if you leave.

**Madam Speaker:** The Hon. Member for Victoria.

**Mr. McGrath:** Madam Speaker, I am sorry. I forgot to mention—

**Madam Speaker:** Order, please. I am sorry, but I recognized the Hon. Member for Victoria.

\* \* \*

## NATIONAL DEFENCE

## FRIGATE PATROL CONSTRUCTION CONTRACT—KEEL LAYING DATE

**Hon. Allan B. McKinnon (Victoria):** Madam Speaker, my question is directed to the Minister of National Defence. First, I would like to compliment St. John Shipbuilding on the well deserved win of the frigate contract.

**Some Hon. Members:** Hear, hear!

**Mr. McKinnon:** The original program called for the first ship to be completed in 1985 and the sixth ship to be delivered in 1989. The Government has taken over three years to reduce the number of contestants for the contract from two to one. Now it is announced that it will be another two years before a