

Oral Questions

realize the government sold out the steel producers in Canada some time ago. Is the government making any guarantees that Canadian jobs and firms will be used on the construction? I put that question in the context of this very expensive construction equipment which is necessary and which is going on sale in the United States and not in Canada, and in light of the fact that a number of Canadians already have been denied the right to purchase that equipment.

Mr. MacEachen: Mr. Speaker, the hon. member has suggested that the Canadian steel industry has been sold out. I prefer to listen to the president of Stelco as a spokesman for the steel industry, rather than the hon. member. Mr. Gordon has stated that he is fully confident he will be able to compete successfully for this business in Canada. It amounts to a very substantial amount of business for Canadian companies and workers. Also, he believes they will be able to compete effectively in the United States against American competition. Thus, there is no question of selling out. I believe the hon. member is selling out any sense of honesty when he continues to repeat what is nothing but unsubstantiated rumour.

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[Translation]

THE CANADIAN CONSTITUTION**SUGGESTION GOVERNMENT PLAY GREATER ROLE IN ECONOMIC MATTERS**

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I should like to put a question to the Prime Minister.

On January 14 last, the Prime Minister granted an interview to the newspaper *La Tribune* of Sherbrooke. I noted that the comments of the Prime Minister were rather vague on one issue. He said among other things that his government would be willing to grant some powers to the provinces but in return, it would ask and I quote: But in return, the federal government would demand an increased role in the management of the economy.

I would like to ask the Prime Minister what he meant by an increased role in the management of the economy in that context?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I was speaking during a debate on the constitution where I specified that the throne speech in October referred to proposals which would be made during this session. Those proposals would not deal with the sharing of powers as such, but if the provinces wanted to discuss the sharing of powers — and between 1968 and 1971 we made several suggestions concerning the transfer of powers to the provinces — we might also suggest that some powers would be better exercised by the federal government than by the provinces which have done quite poorly.

Mr. Beaudoin: Mr. Speaker, I should like to put a supplementary. Can the right hon. Prime Minister tell the House

[Mr. Broadbent.]

whether the provinces have asked to discuss with the federal government the matter of this sharing of powers?

Mr. Trudeau: No, Mr. Speaker, but I would remind the hon. member that during the two years prior to October 1975, when the federal government announced price and wage controls, the provincial premiers, meeting among themselves, had begged the federal government to do something about inflation, explaining that the provinces had no powers in the field of inflation, that they may have had some powers but that even if all the provinces exercised them individually they could not achieve the results expected. They asked us to do something, which we did in October 1975 after consulting the premiers on the very same day. That, then, is an example of the transfer of temporary powers made at the request and with the support of the provinces.

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● (1437)

[English]

FINANCE**INQUIRY WHETHER MINISTER DISCUSSED HIGH LEVEL OF UNEMPLOYMENT WITH OECD OFFICIALS**

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is directed to the Minister of Finance. Undoubtedly, the minister has reviewed table 8 which is contained in the OECD's Economic Outlook. Unfortunately, it shows that Canada has the highest level of unemployment of any of the 12 industrialized nations which it reviewed—higher than the average by almost 3 percentage points. Has the minister discussed with his staff or representatives of OECD why Canada should have had during 1977 the highest unemployment level of any of the industrialized nations?

[Translation]

Hon. Jean Chrétien (Minister of Finance): Mr. Speaker, in the Department of Finance, the economic policy of the government is under constant review. We are, of course, very much concerned by the rate of unemployment in Canada and know that one of the problems is the fact that the rate of entry into the labour force is the highest in the world; last year, Canada was, of all the countries in the world, the one where the largest number of new jobs were created. Unfortunately, the rate of new entries is such that, though we managed to get 290,000 new jobs from the Canadian economy last year, the rate of unemployment did not go down. Yet, the growth of employment in Canada is the highest in the world.

[English]

Mr. Stevens: Mr. Speaker, my supplementary question is directed to the Minister of Finance. Referring to the same Economic Outlook report, it is anticipated that in the current year, 1978, unemployment will exceed 8.5 per cent, and there is some danger that it could go even higher. Also, it is anticipated that job creation in Canada will start to decline. Has the minister discussed with his staff what can be done