

Oral Questions

Mr. Stanfield: Mr. Speaker, perhaps the minister could now give us his revised estimates as to the number of jobs he expects to be created during 1975 on the basis of his November budget, and also the rate of growth he now anticipates. These are the sort of estimates the Minister of Finance has always been prepared to give in the past.

Mr. Turner (Ottawa-Carleton): Mr. Speaker, that will depend very much on how the budgetary measures proposed by the President of the United States to the United States Congress affect the growth in the United States and the employment figures there. I might say to the hon. gentleman that in the budget of November, 1974, we anticipated a decline in the growth of the United States economy and a flattening of the European economy. It was in anticipation of this situation that we injected the stimulus that we did in the budget of November, 1974. That stimulus is starting to bite in terms of—

Mr. Stanfield: Starting to bite whom?

Mr. Turner (Ottawa-Carleton): It is starting to bite in terms of the monthly pay cheques which reflect the minimizing adjustments for income tax for the 1974 and 1975 years. We want to analyse just what the evolving United States policy will mean in terms of stimulus in the United States as it affects exports from Canada. We will also want to examine the effect that the stimulus injected in November, 1974, has on our own economy.

Mr. Stanfield: Mr. Speaker, I realize that our economy depends to some extent upon development elsewhere, but I should like to ask the minister whether it is his policy to let the United States solve this problem for us, or does he intend to behave as the Minister of Finance of an independent country and put forward independent Canadian policies?

Some hon. Members: Hear, hear!

Mr. Turner (Ottawa-Carleton): Mr. Speaker, the hon. gentleman may take some self-satisfaction from that bit of sophistry, but he knows as well as I do that since Canada is the largest trading nation, in terms of man, woman and child, in what we sell to other countries and buy from other countries, the health of the world economy is absolutely crucial to the Canadian economy. So the strength of the United States economy has a good deal to do with the strength of our exports, which represent about 25 per cent of our gross national product. What I am saying to the hon. gentleman is that we anticipated the decline of the United States economy as long ago as November, and the stimulus injected by the budget into the economy has started to bite since January 1.

An hon. Member: It is biting the people of Canada.

Some hon. Members: Hear, hear!

An hon. Member: And it has rabies.

Mr. Turner (Ottawa-Carleton): Despite the hon. gentleman's insular feeling, Canada depends very much on the strength of that economy.

● (1420)

INQUIRY WHETHER MINISTER OF FINANCE ANTICIPATED
PRESENT UNEMPLOYMENT FIGURES WHEN BUDGET
INTRODUCED

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my supplementary question is directed to the Minister of Finance and it follows my leader's questions. In view of today's unemployment figure of 6.7 per cent, compared with the unemployment figure of 5.5 per cent last November, the date of the budget, would the Minister of Finance indicate whether he anticipated a 6.7 per cent unemployment rate in January when he brought down his budget?

Hon. John N. Turner (Minister of Finance): Mr. Speaker—

Mr. Hees: Come out fighting, John.

Mr. Turner (Ottawa-Carleton): The projections affecting our exports upon which the budget was based took into account the declining American economy and the flattened European and Japanese economies, representing our major customers and affecting the strength of our exports. I think it is important to concede that the depth of the recession in the American economy at the moment has exceeded our expectation.

* * *

FINANCE

APPOINTMENT OF DEPUTY MINISTER

Mr. Sinclair Stevens (York-Simcoe): A further supplementary to the Minister of Finance. In view of the uncertainties outlined by the Minister of Finance today, and in view of the deterioration in the economic climate of this country, would the minister indicate whether he is now in a position to announce who will be the new deputy minister of finance and, if not, when will such announcement be made, in view of the very uncertain times in which we find ourselves?

Hon. John N. Turner (Minister of Finance): The question has nothing to do with the preamble. The appointment of the next deputy minister of finance lies within the prerogative of the Prime Minister of Canada.

Some hon. Members: Oh, oh!

AMOUNT OF TAX LIABILITY REDUCTION IN 1975 DUE TO
INDEXING

Mr. Sinclair Stevens (York-Simcoe): My final supplementary is also directed to the Minister of Finance who in his November 18 budget speech stated that the tax liability reduction due to indexing would be \$950 million in 1975, whereas yesterday he told the House that such a tax indexing reduction would be \$750 million this year. Would the minister indicate which figure is correct, the one he gave us yesterday or the one he gave us on November 18?