

THE CANADIAN ECONOMY

SUGGESTED INTRODUCTION OF NEW MONETARY AND FISCAL POLICIES TO PREVENT SERIOUS RECESSION

Mr. James Gillies (Don Valley): Mr. Speaker, my question is directed to the Minister of Finance. In view of the particularly disappointing performance of the economy in the third quarter, as demonstrated by the recent GNP statistics, a performance which from the minister's statement he apparently did not expect, will he tell the House and the nation when the government is going to bring in new monetary and fiscal policies so the economy will not slide into a serious recession?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I indicated when a similar question was asked about the fact that the gross domestic product was weak in the third quarter that that was a reflection of the loss in man-days because of strikes, particularly the railway strike. I also indicated that it reflected not a shortage in demand but a shortage in supply related particularly to unskilled labour, skilled labour and materials.

Some hon. Members: Oh, oh!

Mr. Turner (Ottawa-Carleton): Statistics Canada indicates that we have now reached record levels of unfilled orders and there is a continuing strong demand by business for investment goods indicating the underlying strength of the economy.

Mr. Gillies: Is it the position of the government that, when Canada has the highest unemployment rate of any industrialized country in the world and the third fastest rate of inflation, the economy is operating well?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I have said, and I repeat, that the economy is operating at very close to capacity and that the problem on both the price side and the unemployment side reflects not a shortage of demand but a shortage of supply.

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CENTRAL MORTGAGE AND HOUSING CORPORATION

DISMISSAL OF WALTER RUDNICKI—REQUEST FOR STATEMENT BY MINISTER AND INVESTIGATION BY COMMITTEE

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Minister of State for Urban Affairs. In view of the fact a majority of the members of the miscellaneous estimates committee this morning requested a full investigation of the dismissal of Mr. Walter Rudnicki and the policy questions connected therewith, and in view of the minister's own assurance following the meeting that he was interested in having the matter aired, would he undertake to make a statement in the House tomorrow?

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, I will not be in the House tomorrow. I will be in Regina and Edmonton talking to the ministers

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of housing in an attempt to further the implementation of Bill C-133. I was at the miscellaneous estimates committee meeting this morning with Mr. Teron—

Mr. Speaker: Order, please. Perhaps I might be allowed to take exception both to the question and the answer being given by the minister in that they refer to a proceeding in a committee. I think the question can be asked directly without bringing in matters relating to the proceedings of a committee, which is out of order.

Mr. Broadbent: In view of the fact the supplementary estimates of the minister's department were not voted upon this morning, would he make a request of the steering committee that one of the time periods still remaining for discussion of supplementary estimates be allocated to the estimates of his department in order that we can clear up this matter which, according to his expressed desire, he has an interest in doing?

Mr. Basford: Mr. Speaker, as I am not on the committee or the steering committee I do not know what times are still available, but I would be happy to co-operate with the steering committee as much as possible.

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AIR CANADA

REPORTED BREAKDOWN OF NEGOTIATIONS WITH AIRLINE EMPLOYEES ASSOCIATION—GOVERNMENT ACTION

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, my question is for the Minister of Transport. In view of the extra special need for a healthy passenger transportation system during the upcoming Christmas period, would the minister indicate whether he was informed that earlier this afternoon the Canadian Airline Employees Association broke off negotiations with Air Canada? Can he also indicate the core of the problem and whether he plans to do anything about it?

Hon. Jean Marchand (Minister of Transport): This is the first news I have had of this, Mr. Speaker. As usual, they get in touch with you before they get in touch with me.

Some hon. Members: Oh, oh!

Mr. Marchand (Langelier): However, I would suggest that you get in touch with the Minister of Labour who is in charge of labour relations in this government.

Mr. Don Mazankowski (Vegreville): Mr. Speaker, I have a supplementary question for the Minister of Transport. In view of the fact the Chairman of Air Canada is presently in the city of Ottawa, is it the minister's intention to consult with him and discuss this very important matter with the hope of averting a strike during the Christmas rush?

Mr. Marchand (Langelier): Mr. Speaker, I understand that the Chairman of Air Canada has been appearing before the committee for two days and I would think that