

*Oral Questions***THE CANADIAN ECONOMY****FORECAST FOR CANADA BY OECD—GOVERNMENT POSITION—
POSSIBILITY OF NEW BUDGET**

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I would like to direct a question to the Minister of Finance dealing with the grim forecast of the OECD which indicates that this country will be facing gloomy economic prospects until at least mid-June 1978. In other words, our society is sick economically because of the higher rate of unemployment than anticipated and because of inflation. Considering that the OECD forecast is much more pessimistic than the forecast of the Minister of Finance, can he tell the House on what grounds he disagrees with the forecast of that respected national body, or has he now conceded that his own economic forecasts were wrong and the budget ill-conceived?

Hon. Donald S. Macdonald (Minister of Finance): As the hon. member knows, we do not attempt to make forecasts. We make a projection from the figures that are present at the time. The OECD report for Canada and for all other member countries is somewhat more pessimistic than projections earlier in the year would have indicated. As the report points out, the increase in the inflation rate in Canada has been temporary. We can look to a return to a gradual reduction in that. I have to say that unemployment does remain a matter of concern. My colleague, the Minister of Manpower and Immigration has recently announced additional measures for this coming winter which should be of some assistance in this regard. The position we take is that the considerable room we have made available for the private sector, both for private investment and for consumption, should cause, over the months to come, a gradual acceleration in the rate of economic recovery in Canada.

Mr. Alexander: We hope the minister will make this gloomy report available to all members. I would remind him that the Prime Minister has indicated—if I am wrong, I know he will correct me—that the private sector has not taken advantage of the budget nor does it intend to in the present circumstances. In other words, this government has too much business in the boardrooms of the nation and should get out. Given the fact that the minister indicated to me some time ago that just because I asked him for a budget he would not move in that regard but that there are other criteria which would allow him to bring in a new budget, does the minister think that the OECD report is sufficient for him to move, and if that is not the type of thing he is talking about, what will make the minister bring in a new budget inasmuch as the last one he introduced has been a disaster and a complete failure?

Mr. Macdonald (Rosedale): I would point out to the hon. gentleman something which he should already know, that is that the OECD report is a public document and is available for him to read if he wishes. With regard to the comments on stimulation, either of consumer demand or indeed of business investment, I would remind the hon. gentleman that in excess of \$1.2 billion stimulus was provided in the March 31, 1977 budget. In addition, a further stimulus of around \$900 million was provided at the beginning of the year by indexation. The

[Mr. Speaker.]

hon. member wonders if calls by him for a budget were not very persuasive. Since he voted against those stimulus measures, obviously I do not regard his further suggestions about stimulation as having great value.

Some hon. Members: Oh, oh!

Mr. Alexander: The minister does not worry me with this bombastic rhetoric regarding whether we vote for or against these measures. Thank goodness we did not because they are not good anyway.

Some hon. Members: Hear, hear!

Mr. Alexander: I asked the minister a question and I want an answer. I want to know what criteria must exist before the minister will realize this country is sick and needs an impetus in the form of a new budget. What are the criteria before the minister decides to move in that direction?

Mr. Speaker: Order, please.

Mr. Alexander: Would you let the minister answer my question, Mr. Speaker?

Mr. Speaker: Order, please. The hon. member's question is hypothetical in nature.

Mr. Macdonald (Rosedale): That is bombastic rhetoric, Linc.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

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ENERGY**NATURAL GAS—POSSIBILITY ONLY ONE YEAR'S SUPPLY
AVAILABLE FOR NORTHERN PIPELINE**

Mr. Eldon M. Woolliams (Calgary North): I would like to ask the Minister of Energy, Mines and Resources a question. An article has appeared in the *Financial Post* with reference to the pipeline which states that the United States authorities say that \$8 billion or \$9 billion would be spent on the Alcan route or any other route for reserve of 23 trillion cubic feet of gas, which is only a year's supply to the United States. Has there been a discussion of that since the recommendation of the National Energy Board?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): If the hon. member is asking whether cabinet has considered all the implications of that question, the answer is no. I have indicated in the past that we will be giving consideration to this and we will of course, consider the representations of hon. members opposite.

Mr. Woolliams: I am sure the minister will be getting our representations. Surely if there is a decision to be made between now and September 2, which is the date mentioned by