

Oral Questions

Canadians are not available for this work. Earlier in the year, we agreed to double the quota of European students allowed to enter Canada for work in tobacco to 1350—

Some hon. Members: Author!

Some hon. Members: Order!

Mr. Andras:—we can also make available—

Mr. Speaker: Order, please. Order, please. May I suggest to the minister and others who are giving answers to questions that such lengthy statements normally ought to be made on motions. I appreciate that there are a number of further supplementaries to the first question asked. We will return to them but I believe we are still on the first round of questions. I will return to supplementaries, including the hon. member for Gander-Twillingate, the hon. member for York-Simcoe and others in a moment.

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THE CANADIAN ECONOMY**COST OF LIVING INCREASE—ACCURACY OF FIGURES PROVIDED BY STATISTICS CANADA**

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, my question is supplementary to that of the hon. member for Northumberland-Durham involving the objectivity of the statistics released today. In view of the fact that in the release by the government organ today it is indicated that the price of food increased by .8 of one per cent, all items excluding food increased by .8 of one per cent, and the combination of those two groupings increased by .7 of one per cent, can the minister explain this?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, in view of the highly technical nature of the question I would be very pleased to take it as notice.

Mr. Lundrigan: Mr. Speaker, I am surprised that the minister is not aware of this very serious loophole in his response today. Using the DBS method of weighting the various components and adding up all those components we arrive at .77 of one per cent instead of the .7 which is indicated in the document. Would the minister investigate the objectivity, reliability and honesty of the reporting which is coming from this particular government organ?

Mr. Gillespie: Mr. Speaker, I would be very pleased to put the hon. member in touch with the statisticians.

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FINANCE**ALLEGED TIGHT MONEY POLICY—SUGGESTED DISCUSSION OF TIMING BY MINISTER AND BANK OF CANADA GOVERNOR**

Mr. James Gillies (Don Valley): Mr. Speaker, my question is for the Minister of Finance. Given the fact that one of the most difficult problems in managing the Canadian

[Mr. Andras.]

economy is the length of lag before things take place, given the fact that the increase in employment in the month of May was 14,000 compared with an increase in earlier months of approximately 100,000, is the minister willing to discuss with the governor of the Bank of Canada whether it may be too early to apply the tight money policy that seems to be in effect?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, to begin with, as I have told the House and the hon. gentleman on several occasions, there is no tight money policy.

Some hon. Members: Oh, oh!

Mr. Turner (Ottawa-Carleton): Mr. Speaker, when bank loans have been increasing for the first five months of this year at an annual rate of 30 per cent, when the money supply has been increasing at an annual rate for the first five months of this year of from 18 per cent to 20 per cent, well over the potential expansion of the economy—

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please.

Mr. Turner (Ottawa-Carleton):—that is not a tight money policy.

Mr. Baldwin: How about bankruptcy?

Mr. Gillies: Mr. Speaker, I am sorry I used the sensitive words "tight money". Would the minister discuss with the governor of the Bank of Canada whether or not, given the fact that the indicators are not clear yet as to where the economy is going, particularly the employment figures released for May, the policy of increasing interest rates which has happened is really an effective policy to follow right at this time, in addition to the fact we have so many predictions that the economy of the United States is going to slow down in the fourth quarter?

Mr. Speaker: Order, please. The hon. member is obviously making a speech at this point. If the minister can reply briefly, he will be recognized for that purpose.

Mr. Turner (Ottawa-Carleton): Mr. Speaker, the hon. gentleman may not be convinced about the current expansion of the economy, but I would remind him and the House that the economy is expanding at an annual rate in real terms of 11.6 per cent, and that the increase in new jobs, May over May, was 497,000 or 6 per cent, is the highest increase—

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. Order, please. Would the hon. minister kindly resume his seat. I suggest to both the minister and the hon. member for Don Valley that they are having a debate at this point. The hon. member for York-Simcoe.