

financial problems or requests for additional federal aid, and at the same time will he assure this House that no further federal increases in direct or other costs will be allowed, not only in respect of security but in all other areas? Perhaps the Prime Minister would see fit to advise Mayor Drapeau to seek financial help from the city of New York?

Some hon. Members: Oh, oh!

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THE CANADIAN ECONOMY

UNEMPLOYMENT—GOVERNMENT ACTION TO ALLEVIATE

Mr. Arnold Peters (Timiskaming): Mr. Speaker, my question is for the Minister of Finance, and I would refer to page 2 of the government's policy paper on wage controls where it is noted that unless decisive action is taken unemployment will continue to increase.

● (1430)

This morning one of the government's favourite forecasters, the Toronto Dominion Bank, predicted that, as a result of the controls, growth in the economy will slow significantly and unemployment will rise. In view of the degree of unanimity among economists that unemployment is a serious problem of specific concern, does the government intend to undertake to lower unemployment?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, the government accepts the fact that unemployment is an important matter for substantial concern through this winter. It recognizes in particular the difficulty from the Canadian standpoint because of the unemployment involved particularly in our export industries. My colleague, the Minister of State for Urban Affairs and Housing will be announcing a program to deal with that sector of the economy and in other sectors, particularly the export dependant sectors, we recognize there is a real difficulty.

Mr. Peters: In view of the fact that the government is now trying to shift the unemployment insurance costs from the UIC and away from itself, what specific steps does the government intend to take that will provide employment in light of the fact that restrictions are taking place in all government expenditures?

Mr. Speaker: Order, please. Despite the hon. member's repeated request for specific steps, I am sure he is well aware he is in a very general area in talking about the whole program concerning unemployment. Perhaps he could be more specific.

Mr. Peters: I would be particularly interested, Mr. Speaker, in finding out whether the government has intentions of increasing some of the make-work programs it now has in areas such as mine where unemployment is at the rate of 10 per cent. I would also be interested in knowing of whether there is an intention of increasing the amount of the winter works program, the local initiatives program, and some of those programs which are part of the stop-gap employment aid policy.

Oral Questions

Mr. Macdonald (Rosedale): Well, Mr. Speaker, I would not be making an announcement of such a program at this time.

EFFECT OF REDUCED FEDERAL EXPENDITURES ON ATLANTIC REGION—GOVERNMENT ACTION TO ALLEVIATE

Mr. David MacDonald (Egmont): Mr. Speaker, my question is supplementary to the first question. It concerns the likely increase of unemployment, and the particularly chronic and seasonal difficulties in areas like the Atlantic region, in view of the likelihood of there being some restrictions in federal expenditures. Will the minister be announcing a program or will he be designating the Minister of Regional Economic Expansion to be responsible for making sure that possible cut-backs in federal expenditure will not create further unemployment but rather that a specific program will be devised to deal with the difficulties in regions of economic and social disparity.

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, when the colleagues of the hon. gentleman call for reduction in total expenditures we all bear in mind the difficulty this can cause in areas such as his.

Mr. Speaker: A final supplementary by the hon. member for Egmont.

Mr. MacDonald (Egmont): I am rather surprised, Mr. Speaker, that the minister did not hear the question I asked. I asked specifically whether there would be some flexibility with regard to these potential reductions in order that greater hardship is not created for substantial numbers of people in underdeveloped areas.

Mr. Macdonald (Rosedale): I might point out to the hon. gentleman that, of course, the call for reductions in expenditures would fall particularly heavily on those sectors of his area—

An hon. Member: It is not flexible.

Mr. Macdonald (Rosedale): —would fall particularly heavily on those sectors of his area. We, of course, have been concerned about maintaining the status of transfer payments to the provincial governments and to individuals and that will be continued.

Mr. Stanfield: There is no flexibility. Is that the situation?

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POST OFFICE

DISPUTE WITH UNION OF POSTAL WORKERS—REQUEST FOR REPORT ON NEGOTIATIONS ON TECHNOLOGICAL CHANGE AND CASUAL WORKERS

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I have a question for the Postmaster General. It arises from the continuing saga of the postal negotiations. Now that the Postmaster General has become directly involved in the negotiations, could he indicate to the House whether he has been able to focus the discussions on the key issues