

Oral Questions

statistics released this morning which show that problems are increasing in Quebec and the Maritimes, is the minister willing, under the circumstances, to summon immediately the finance ministers of those provinces so that together they may find solutions to correct that economic imbalance at the national level?

Hon. Jean Chrétien (Minister of Finance): Mr. Speaker, about a month ago I had the opportunity to meet all finance ministers for two days in Ottawa. We dealt with those problems and I told them about the general steps taken in the budget. By and large the finance ministers of Quebec and the Maritimes entirely agreed with the economic policy which I intended to follow.

INQUIRY AS TO MINISTER'S USE OF \$100 MILLION PROVINCIAL CREDIT

Mr. Roch La Salle (Joliette): Mr. Speaker, I would like to ask a supplementary question. I know that the Minister of Finance has referred to a \$100 million credit for direct employment. Would he be prepared to tell us soon whether this \$100 million will be spent mainly in these provinces, and could he tell us today to what type of program this \$100 million will be allotted to correct the situation in these provinces?

Hon. Jean Chrétien (Minister of Finance): Mr. Speaker, in the bill I introduced in the House yesterday, we are using for the first time a formula providing for particular tax incentives for the Maritime provinces and Gaspésie. Instead of credits of 5 per cent, we are allowing credits of 10 per cent and 7½ per cent for the rest of the province of Quebec. It is the first time our tax policy includes incentives of this nature which are to be applied on a regional basis.

INQUIRY WHETHER GOVERNMENT WILL AID CONSTRUCTION OF CONGRESS CENTRE

Mr. Roch La Salle (Joliette): Mr. Speaker, I have another supplementary. The Minister of Finance met recently with the ministers of the province of Quebec who are responsible for economy-oriented departments, and I do not think we have heard any details about this meeting as yet. Is the Minister of Finance in a position to tell the House today what kind of concrete proposals were discussed and whether his government has made a decision on the funding of the congress center proposed by the government of Quebec in Montreal?

Hon. Jean Chrétien (Minister of Finance): As far as the last part of the question is concerned, Mr. Speaker, this is of course a decision to be made by the provincial government. They have not yet determined the site nor the style of the congress center they would like to build, so it is up to them to make the necessary decision.

As to the particular situation of Quebec, I am constantly concerned because the unemployment level rises regularly and because the factors which were responsible for a decrease in

[Mr. La Salle.]

the unemployment rate in Ontario last month should have been applied in Quebec. I think perhaps the government of Quebec should begin to contemplate removing the uncertainty among investors and holding its referendum as soon as possible.

[English]

REQUEST FOR NEW BUDGET TO CREATE JOBS

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, the minister always has an excuse for his own government's failure. I should like to quote from the report of the Economic Council of Canada released this morning which states that the recovery of the Canadian economy has lagged behind that of other western countries. They suggested it has lagged behind, and, therefore, the government's excuse that we are suffering from some international problem does not hold water. Let me point out to the minister that the same council suggests we are going to have eight per cent unemployment well into the 1980's, and specifically suggested that the government ought to stimulate the economy by a further \$2 billion. Will the Minister of Finance recognize at long last that his policies have been wrong and now promise the people of Canada he will bring in a budget before Christmas that will produce some jobs?

● (1422)

Hon. Jean Chrétien (Minister of Finance): Mr. Speaker, I would think that to borrow another \$2 billion at this time in an attempt to buy our way out of the economic difficulties we are in would not be responsible. I think what is required is a joint effort by the federal government, the provincial governments and the private sector. It is not my belief that irresponsible action on the part of the Minister of Finance would be of any good to the nation.

UNEMPLOYMENT—MEASURES TO CREATE JOBS IN CERTAIN SECTORS OF THE ECONOMY

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, that is the first time I have heard that stimulation of the consumer side would lead to unemployment or would be buying our way out. Every economist in the country except the minister's own advisers are recommending that course of action.

Considering that the real problem is a sector problem—and I agree with the minister in that regard, because the government has done nothing about it—will the minister tell us with reference to the shoe industry, the textile industry, the shipbuilding industry and/or the auto industry, all of which are in trouble now, what specific proposals his government has to produce jobs in those sectors?

Hon. Jean Chrétien (Minister of Finance): Mr. Speaker, I am thinking of all those sectors to which the hon. member referred. In particular, last November, when I was Minister of Industry, Trade and Commerce, I took it upon myself to impose quotas in the textile industry. A number of people on the other side blamed me for having done that. In addition to