

Before the Governor of the Bank of Canada decided to increase the bank's interest rate, had there been any prior consultations between the government and the governor? Also, can the minister advise the House whether, before such decision was taken, discussions had taken place between the U.S. banking organization, the Governor of the Bank of Canada and the government?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, there are always prior consultations with the Governor of the Bank of Canada and the Minister of Finance. While the day to day decisions concerning monetary policies remain the responsibility of the governor, it is necessary for the Minister of Finance and the government to concur with the governor's general monetary policies.

To the second part of the question, I shall answer negatively.

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[English]

THE CANADIAN ECONOMY

UNEMPLOYMENT IN ATLANTIC PROVINCES—ACTION TO STIMULATE ECONOMIC GROWTH—REVIEW OF BANK OF CANADA MONETARY POLICIES

Mr. James A. McGrath (St. John's East): Mr. Speaker, I wish to direct a question to the Minister of Finance. In view of the fact that unemployment in the Atlantic region actually increased to 9.8 per cent whereas employment on a seasonally adjusted basis declined in the Atlantic region and in the prairie provinces, is the government now going to introduce new policies to stimulate rather than moderate economic growth in certain regions and, if so, does the government intend to review immediately the present monetary policies of the Bank of Canada?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, the figures in the Atlantic provinces must be weighed against an increase in employment over the period of 9.1 per cent. As a matter of fact the statistics, I suppose, have to be reviewed in light of the strike of construction workers in Nova Scotia to which Statistics Canada makes reference. In any event, we are analysing those statistics which tend to run counter to a general tendency in the country, and we are quite willing to accept them when they are not favourable to government policy unlike the opposition which questions them—

● (1430)

Some hon. Members: Oh, oh!

An hon. Member: Oh, sit down.

Mr. Speaker: Order, please. The Chair will recognize the hon. member for St. John's East, then the hon. member for Prince Edward-Hastings and the hon. member for Brant, and then return to a third round of supplementaries.

Mr. McGrath: While the minister is analysing his statistics, in view of the statement of the governor of the Bank of Canada that we are now approaching a full employment situation and in light of the figures released today by

Oral Questions

Statistics Canada, would the minister tell the House what the government's definition of full employment is?

Mr. Turner (Ottawa-Carleton): When every man and woman in this country willing and able to find a job is able to find a job.

COST OF LIVING INCREASE—INCREASE IN CORPORATE INCOME TAX OTHER THAN ON MANUFACTURING AND PROCESSING AS FACTOR

Hon. George Hees (Prince Edward-Hastings): I have a supplementary for the Minister of Finance. As the 7 per cent increase in corporate income tax which was reimposed on January 1 on all businesses other than manufacturing and processing, which is two-thirds of the total economy, has obviously been passed on in the cost of services to the Canadian people since the first of the year, have the minister and his department figured out how much that increase in corporate taxation has increased the cost of living since the first of the year?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, that is not demonstrable. I ought to remind the hon. gentleman that the general corporate tax continues to move down from 50 per cent to 46 per cent on the scale anticipated and set in the law by my predecessor.

Mr. Hees: Does the minister try to deny the fact that this increase in taxation was imposed upon all business other than processors and manufacturers and that it has been passed on to the consumer? Why does he try to duck out of this straight honest question by uttering misleading nonsense?

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please.

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MANPOWER

MEASURE TO PROVIDE WORKERS FOR TOBACCO, VEGETABLE AND FRUIT FARMERS IN SOUTHERN ONTARIO

Mr. Derek Blackburn (Brant): Mr. Speaker, I have a question for the Minister of Manpower and Immigration. Is the minister aware of the looming employment problem facing tobacco, vegetable and fruit farmers this season in southern Ontario? If he is, what measures is his department taking to solve this very serious problem?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, the department has been and continues to work very closely with the Ontario Flue-Cured Tobacco Growers' Marketing Board. At the same time we are sharing with the government of Ontario the cost of producing brochures outlining for students and others detailed information concerning employment available in tobacco. There are very many steps that we are taking. We recently authorized the admission of 500 European workers since there is very strong evidence that