

Oral Questions

the government has already made this situation worse through the cancellation of the OFY program and in view of the fact that there are a large number of potential labour intensive activities during the summer both on farms and in many municipalities, I move, seconded by the hon. member for Cape Breton-East Richmond (Mr. Hogan):

That this House instruct the government to establish immediately a program which would provide funds to municipalities and farmers in Canada, to enable them to offer employment, at at least the level of the federal minimum wage, to people who would otherwise be unemployed.

Mr. Speaker: Pursuant to Standing Order 43 the motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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● (1410)

INDIAN AFFAIRS**PROPOSED REMOVAL OF INCORPORATION AS PREREQUISITE TO STARTING BAND FARM—MOTION UNDER S.O. 43**

Mr. Wally Firth (Northwest Territories): Mr. Speaker, I rise to ask unanimous consent of the House to present a motion arising from an urgent and pressing matter. Economic development funds for Indian Bands in Saskatchewan to start Band farms are being held back because the department requires that the Bands incorporate themselves. Incorporation could endanger the Bands' treaty rights and places their land in jeopardy. Because planting season is already well advanced, I move, seconded by the hon. member for Winnipeg North (Mr. Orlikow):

That this House directs the Minister of Indian Affairs and Northern Development to develop alternatives to incorporation so that these Bands can proceed with their farms this season without endangering their treaty rights.

Mr. Speaker: This motion, pursuant to Standing Order 43, requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[English]

THE CANADIAN ECONOMY**ESTIMATED LEVEL OF UNEMPLOYMENT AND OF REAL GROWTH—EFFECT OF LOWER CORPORATE TAX RATE AND FAST WRITE-OFFS ON JOB CREATION**

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, with today's alarming and tragic news for those involved that some three-quarters of a million Canadians are now out of work, and as the conference board and other research

[Mr. Rodriguez.]

agencies have predicted that we would not reach a 7.4 per cent rate of unemployment until at least the fourth quarter of this year, yet we have now reached the 7.4 per cent unemployment rate in the second rather than the fourth quarter, does the Minister of Finance believe that unemployment will continue to increase so that we might even have 8 per cent unemployment by the year end?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I would not like to make an estimate at this time.

Mr. Stevens: Mr. Speaker, my supplementary is directed again to the Minister of Finance. As the conference board forecast of a 7.4 per cent unemployment rate by the fourth quarter is predicated on a 4.8 to 5 per cent increase in real growth in this country, and, as the minister himself has indicated, he hoped for a 5 per cent real growth, and with the unemployment rate at 7.4 per cent, does the minister believe that this is a valid indication that the real growth will be well below 5 per cent this year and, if so, what would he predict to be the real growth in the current year?

Mr. Macdonald (Rosedale): Mr. Speaker, it seems to me that a more sensitive analysis of the economic situation, both as to the unemployment rate and inflation, should be reserved for the budget statement in two weeks' time.

Mr. Stevens: Mr. Speaker, as one of the most dramatic facts in today's sad unemployment figures is the large decrease in employment itself as opposed to the usual increase in the labour force, and in view of the fact that employment in the manufacturing industries has fallen off so badly there are only about 20,000 more jobs in that sector than there were on average in 1972, will the minister consider reconstituting the corporate tax measures review committee to ascertain whether the lower tax rate and faster write-off tax provisions of the minister's predecessor have had any permanent effect in creating jobs?

Mr. Macdonald (Rosedale): Mr. Speaker, it again seems to me that reflections on the fiscal system are not appropriate at this time.

EFFECT OF ANTI-INFLATION PROGRAM ON PROSPECTS FOR RECOVERY—EFFECT OF POOR BUSINESS PERFORMANCE ON JOB CREATION

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I should like to go another round with the minister who seems to be at a loss for words regarding this very serious matter. I would advise the minister that corporate profits for the first quarter of the year appear to have dropped off sharply compared to last year. Is the minister in a position to say whether the anti-inflation program has dampened the prospects for an economic recovery? I ask him this question particularly when I understand he is going to tighten them up.

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, it is certainly true that corporate profits have been controlled by the anti-inflation program as, indeed, other areas of the community have been. I would think, however, that given the favourable response to restraints by leaders in the corporate sector this has not had the effect to which the hon. gentleman refers.