

Oral Questions

[English]

THE CANADIAN ECONOMYFORECAST OF RATE OF GROWTH AND BUDGETARY DEFICIT—
GOVERNMENT'S SUCCESS IN CURTAILING SPENDING

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, I should like to put my question to the Minister of Finance. Now that we have last week's disappointing statistics on current unemployment which is running high across the land, and indeed ranges between 10.1 per cent in Quebec to 13.9 per cent in Newfoundland, and also have rising prices, in spite of the minister's comment that inflation is still his number one priority, would the minister indicate if he still sticks to his budgetary forecast of a 5 per cent real growth in the economy this year or may we anticipate bad news on that front as well?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, the experience in Canada will very likely parallel the experience in the rest of the OECD nations; that is to say, the levels of growth hoped for in the fourth quarter of this year may well not be attained.

Mr. Stevens: Mr. Speaker, my supplementary is again addressed to the Minister of Finance. As the economy stag-nates as the minister indicated in the current quarter, and with the budgetary deficit for the first half of the fiscal year reaching \$3.3 billion, 50 per cent higher than the same period last year, would the minister indicate if he holds to his May budget forecast of a \$5 billion budgetary deficit or does he believe the trend shown in the first half of this year and into the third quarter will carry on and that there will be a budgetary deficit in 1977 of over \$6 billion, the highest in our history?

Mr. Macdonald (Rosedale): No, Mr. Speaker.

Mr. Stevens: Mr. Speaker, as the minister has said that inflation is still his number one priority and, based on the finance department figures in the first six months, it would appear that federal spending may be up as much as 16 per cent or 17 per cent this year, would the minister indicate if he expects federal spending increases will taper off in the balance of the year so that the minister's commitment to a 14 per cent ceiling on federal spending increases will be met or may we expect federal government spending will be higher than the 14 per cent ceiling the government undertook to achieve in the May period?

● (1420)

Mr. Macdonald (Rosedale): Mr. Speaker, we anticipate being able to keep expenditures within the goal or framework set out in the budget.

[Mr. Cullen.]

PUBLIC WORKS

PROPOSED METHOD FOR SHOWING PROPERTY COSTS

Mr. R. E. McKinley (Huron-Middlesex): Mr. Speaker, I have a question for the Minister of Public Works. In his opening speech to the Standing Senate Committee on National Finance he stated that alternative methods for recording and displaying real property costs to departments will be adopted, instead of the charging for services concept, which until now has only been talked about. What method, other than the charging for services concept or the method employed, does the minister intend to use?

Hon. Judd Buchanan (Minister of Public Works): As I indicated at that same meeting of the Senate committee, my personal inclination was to use "charge for services". I think that is still the most valid principle to pursue.

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FISHERIESMETHOD OF SELLING PRODUCTS IN EXPORT MARKET—
GOVERNMENT EFFORTS TO IMPROVE

Mr. James A. McGrath (St. John's East): Mr. Speaker, I have a question for the Minister of Fisheries and the Environment. Is it his intention to establish single desk selling for Canadian fish products abroad, as hinted in press reports of the statement he made in Sydney, Nova Scotia, yesterday?

Hon. Roméo LeBlanc (Minister of Fisheries and the Environment): Mr. Speaker, if the report referred to single desk selling, it is erroneous. What I said was that the Canadian industry, like our main competitors, should move to the concentration of our efforts in the foreign markets instead of competing against each other in export markets.

Mr. McGrath: May I preface my question by saying that I support the minister's intentions. Could he perhaps expand on what role he sees for the federal government in rationalizing this highly competitive situation which, in many cases, is hurting our exports?

Mr. LeBlanc (Westmorland-Kent): I do not know what the hon. member describes as "highly competitive". Surely, one of the reasons that in many cases we are price takers instead of price setters in the export market is the competition we talked about, that is competing among ourselves. The federal role is to encourage by voluntary means. I hope that the industry will see the wisdom of this. At present I do not envisage introduction of legislation in this area but I hope that the industry will encourage us to do so when they see the possible benefits.