

ORAL QUESTION PERIOD

[English]

THE CANADIAN ECONOMY

UNEMPLOYMENT—MINISTERS ESTIMATE WHEN LEVEL WILL DECLINE—EFFECT OF ANTI-INFLATION PROGRAM—POSSIBILITY OF REVIEW

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, I should like to put my question to the Minister of Finance. With 784,000 Canadians out of work 53,000 more than last May, and with unemployment at 7.6 per cent, a half point higher than in May, would the minister indicate when he anticipates a decline in this tragic situation, bearing in mind that in his May budget the minister predicted that unemployment would follow:

... a level trend in the near term and gradually decline as cyclical expansion takes hold.

It has not happened and now we have thousands of Canadians needlessly out of work, with many feeling severe hardship.

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, the member has referred to it at the end of my comments in the May budget, and it is quite clear that the cyclical trend which was hoped for has not materialized. The analysis of the October labour force survey is now underway. It indicates regional differences in Canada, in Ontario in particular, having been occasioned by the strike in the Ford Motor Company at the time the survey was taken and also indicates some severe regional problems in the eastern parts of Canada. At the moment I do not propose to make any further announcements or changes.

Mr. Stevens: In view of the minister's statement that the cyclical trend anticipated in his budget has not materialized, and as job creation has been virtually static since January, with an actual decline in employment since March, would the minister indicate if he still believes that the Canadian economy will generate more than 250,000 new jobs this year, as he stated in his May budget, and would he agree that the anti-inflation program has acted as a damper on our economic recovery and has cost tens of thousands of jobs?

Mr. Broadbent: It is your program, fellow.

Mr. Stevens: If the minister does not agree that the anti-inflation program has aggravated the problem of unemployment, would he allow—certainly before Christmas—an immediate parliamentary review of the entire program?

Mr. Macdonald (Rosedale): Mr. Speaker, I do not agree that the anti-inflation program has been the reason for the slow increase in growth of the gross national product. I point out to the hon. gentleman that this is the same kind of slowing in recovery from the recession which has occurred in the United States, and indeed, in all the other OECD countries.

Mr. Broadbent: There is a new government in the United States, too.

Oral Questions

Mr. Macdonald (Rosedale): Under the circumstances, it seems to me that our primary concern should still be the level of Canadian inflation, and I think the suggestion of the hon. gentleman that we should forget about inflation is really not well founded.

Mr. Hnatyshyn: He never said that.

UNEMPLOYMENT—EFFECT OF TARIFF REDUCTIONS

Mr. Sinclair Stevens (York-Simcoe): Hon. members know that I made no reference to inflation not being a serious problem in Canada at the present time.

Mr. Baker (Grenville-Carleton): The government is a serious problem, too.

Mr. Stevens: As a contributing factor to rising unemployment has been our sagging trade position, especially in manufactured goods, where we have an amazing \$10 billion deficit, would the minister indicate if he plans any new approach with respect to our trade negotiations in Geneva or elsewhere, and specifically, does he intend to alter the tariff changes made in his May budget, at which time he stated that such tariff reductions would be withdrawn if they have serious effects on employment or production in Canada?

Hon. Donald S. Macdonald (Minister of Finance): I will correct my previous answer. The hon. gentleman says he is concerned about inflation, but his concern is that we should not take any initiatives against it.

An hon. Member: You are just concerned about power.

Mr. Macdonald (Rosedale): I point out to the hon. member that the budget of last May proposed reductions in tariffs on consumer goods, which would be of value in maintaining a restriction on the increase of consumer prices in Canada. It seems to me that the suggestion of the hon. gentleman that we should increase tariffs and thereby increase the cost of consumer goods in Canada—

Mr. Stevens: It is your suggestion.

Mr. Macdonald (Rosedale): —is hardly a stance consistent with concern about inflation.

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MANPOWER

REASON FOR DELAY IN CONSULTING PROVINCES ON PROGRAMS TO CREATE EMPLOYMENT

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I would like to direct a question to the Minister of Manpower and Immigration, who I know is interested in unemployment, or at least in his employment strategy. Given the fact that the University of Toronto Institute for Policy Analysis and the Conference Board of Canada have indicated that in terms of 1977 and years following we are going to experience very