

Oral Questions

Finance. In view of the very considerable surplus that the increasing revenues in the federal treasury have created, contrary to his estimate last May that there would be a deficit, is the minister now prepared to make an immediate increase in the funds available to municipalities and other organizations to speed up the creation of jobs without any delay?

• (1110)

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I said recently that the cash requirements of the government, which I forecast in my budget of May 8 as \$2 billion, remain, on the basis of the revenue and expenditure picture, still at roughly \$2,200 million. On the question of aid to municipalities, the government has announced a \$350 million federal-provincial-municipal loan and grant project. The arrangements with the provinces have now virtually been concluded and I expect, as I said on December 6, that the total cash flow available against winter unemployment this year will be in the range of \$375 million compared with \$300 million last year.

Mr. Lewis: Mr. Speaker, in view of the fact that the \$350 million—the minister will correct me if I am wrong—to which he referred was for a period of three years and that only about \$50 million of that amount—I am stating this from memory—is to be spent this winter, and in view of the continuing rise in unemployment and the fact that the policies so far adopted have simply not worked, is he not prepared now to take immediate steps to increase the amounts which he proposed last December and to make them available immediately to the municipalities and other organizations?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, the hon. gentleman is right in the sense that the \$350 million program for provincial and municipal loans, with a forgiveness feature, is a three-year program and we expect the cash flow from that to be about \$60 million to \$75 million this winter, but he neglected to draw to the attention of the House the fact that there is the local initiatives program of over \$125 million as a direct intervention by a federal department, \$60 million for on the job training and so on, amounting, as I have said, to a total cash flow this winter of \$375 million.

Mr. Speaker: Order, please. Obviously there are a number of members seeking supplementaries on this subject. In fairness, perhaps the hon. member for York South might ask a further supplementary question and then I will go to the hon. member for Don Valley.

UNEMPLOYMENT—FUNDS ALLOCATED UNDER LOCAL INITIATIVES PROGRAM—PROCESSING OF APPLICATIONS

Mr. David Lewis (York South): Mr. Speaker, in view of the minister's reference to the local initiatives program, may I ask him how much of that money has already been allocated? Is it not true that a large number of applications have not yet been dealt with? If he is not the minister who can give that information, perhaps the Minister of Manpower and Immigration could do so. Is it not a fact

[Mr. Lewis.]

that a good many of the applications have not yet been dealt with?

Mr. Speaker: Order, please. Will the hon. member ask the question. I think he will agree that he is now getting into the field of argument.

Mr. Lewis: May I rephrase the question and ask the Minister of Manpower and Immigration whether he can speed up the approval of applications which, I believe he mentioned the other day, total 11,000, so that this disastrous unemployment situation may be improved at least a little by more local initiative programs being put into effect immediately?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, in fact we have approved about \$110 million of the \$165 million allocated to the local initiatives program. That amounts to the creation of approximately 70,000 jobs or, more precisely, 231,000 man-months of work.

With respect to the speed with which this is being done, I can only draw to the attention of the House the fact that this is considerably ahead of the same program last year, that the first \$80 million was allocated in October, a month earlier than in the previous year, and that the second allocation of \$85 million was made in December. We are now into the second allocation. But having said that may I add that I sympathize with the hon. member's suggestion, and we are putting all pressure possible on those in charge of the program to get projects approved and the applicants advised.

UNEMPLOYMENT—INQUIRY AS TO SETTING UP OF SHORT-TERM ECONOMIC FORECASTING UNIT

Mr. James Gillies (Don Valley): Mr. Speaker, I wish to direct a question to the Minister of Finance. In light of the variation in the unemployment figures released today from those anticipated in the minister's budget speech, can the minister tell the House whether the government is now going to introduce legislation to set up an independent short-term forecasting unit?

Hon. John N. Turner (Minister of Finance): The hon. member is referring to a short-term forecasting unit?

Mr. Gillies: An independent agency.

Mr. Turner (Ottawa-Carleton): But for short-term forecasting as opposed to medium and long-term undertaken by the Economic Council of Canada?

Mr. Gillies: Yes.

Mr. Turner (Ottawa-Carleton): No, Mr. Speaker.

Mr. Gillies: Is the minister prepared to introduce legislation permitting the Economic Council of Canada to enter into this field of economic activity?

Mr. Turner (Ottawa-Carleton): No, Mr. Speaker.

Mr. Gillies: Does this mean that the minister is content with the economic forecasting he is getting from the Department of Finance at the present time?