

to increase employment opportunities for students during the summer?

Hon. Bud Cullen (Minister of Employment and Immigration): Mr. Speaker, in most provinces we obtain the greatest co-operation from provincial authorities to promote youth employment during the summer.

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[English]

THE CANADIAN ECONOMY

CALL FOR BUDGET TO IMPROVE SITUATION

Mr. James Gillies (Don Valley): Mr. Speaker, my question is directed to the Minister of Finance. The hon. gentleman suggested a moment ago that the figures on which economic policy in this country has been based are wrong. Is it not prudent—indeed, is it not essential—today, particularly when we propose to borrow large sums of money from the United States, that the minister bring in a budget based on the realities which are now confronting us?

Hon. Jean Chrétien (Minister of Finance): The hon. gentleman should realize that before we bring in a budget we should wait to see the effect of the measures which were taken only two months ago. We have stimulated the economy to the tune of \$3 billion, starting January 1, 1978. If the hon. member is advocating that we should stimulate it still further, he should not encourage his colleagues to get up in the House and complain that we are running too big a deficit. This is the type of thing I have heard in the House so many times. In 1977-1978 we have to cope with a deficit of \$8.5 billion.

● (1132)

An hon. Member: It is \$10 billion.

Mr. Chrétien: We are taking an extremely stimulative stance. We went further, starting in 1978. I am sure the hon. member will want to know exactly, in a few more weeks or months before we move again. We had a budget at the end of October.

Mr. Clark: That was not a budget.

Mr. Chrétien: We will have a budget after we see the results of the stimulation we have given to the economy for 1978.

Mr. Gillies: Mr. Speaker, I appreciate what the Minister of Finance has said. I am sure he will recognize, as most people in Canada recognize, that economic policies are an integrated set of propositions and that some of the results will be incorrect. It is quite apparent that the level of inflation which will take place in this country is quite different from the minister's forecast. I should like to ask him very specifically: what exchange rate was used in calculating what the level of inflation would be by the end of this year?

Oral Questions

Mr. Chrétien: Mr. Speaker, I replied to this question many times in committee. I think the assumptions made during preparation of the forecast do not have to be changed at this time. An hon. member of the NDP asked me for a prediction respecting growth in 1977. In a statement I made in October I said that growth would be around 2 per cent; I will check the record and report back, but it was less than 2.6 per cent. Thus, I do not have to change my prediction at this moment. In the last month the dollar has not changed much; it was 90.13 cents at the beginning of February and it is 89.33 cents now. We have lost only one point. That is not enough to change our prediction.

Mr. McGrath: What's a couple of points?

Mr. Chrétien: I think we are in a very complicated situation, but there is no reason to change the prediction we have made. One problem we are faced with is that while we have been able to convince the various premiers across the land that we must co-ordinate our economic policies—and they agreed—it is only the opposition in the House of Commons that is promoting doom and gloom propositions all the time.

Mr. Gillies: Mr. Speaker, the Minister of Finance knows very well that in committee he would never say what the basic assumptions were on which the economic forecasts were made: he never made that clear. I would ask the minister, did they make their assumptions on inflation rates and growth in the economy based on the 90-cent dollar?

Mr. Chrétien: Mr. Speaker, what the hon. member is in fact asking is whether we have decided to peg the Canadian dollar. There is no fixed rate that we have in mind for the dollar. We are floating the dollar and the economic situation will adjust accordingly. When you are floating the dollar, you cannot tag very precisely what will be the level of the dollar during a year.

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LABOUR CONDITIONS

LAY-OFFS IN EASTERN CANADA—REQUEST MINISTER MEET UNION

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, not only is the Canadian dollar declining, but the opportunities for employment in this country are declining more rapidly every day.

My question is of grave importance. It is for the Minister of Labour and arises as a result of a wire I received from the president of District 26 of the United Mine Workers of America, Mr. William Marsh. It concerns the announcement of the closure of the new Prince coal mine on Cape Breton Island and the loss of 300 jobs. Is the minister prepared to meet with the president and his executive—they are prepared to meet with the minister in Ottawa at a moment's notice—to see what can be done? Previously, the minister has been most co-operative on matters of this nature regarding safety, and so