

would the Minister of Finance tell the House whether he expects the creation of new jobs to proceed at a greater pace during the second half of the year?

**Hon. John N. Turner (Minister of Finance):** Mr. Speaker, we expect some recovery in the economy in the second half of the year. As the Prime Minister has indicated, and as I said on budget night, there will be a time lag between the increase in employment and, more particularly, the reduction in unemployment following the recovery of the Canadian economy.

**Mr. Alexander:** Mr. Speaker, I am glad the minister has mentioned the budget which most of us find unacceptable in terms of creating employment. In view of the fact that the minister, in his November budget, predicted 250,000 new jobs in 1975, and that the June budget, referred to by the minister, contained no information altering this forecast, will the minister tell the House whether he has altered this forecast and, if so, by what amount?

**Mr. Turner (Ottawa-Carleton):** Mr. Speaker, in terms of new jobs, it is difficult to predict how many there will be in view of the uncertainty as to the pace of the recovery in Canada which will depend, in so far as our exports are concerned, on the pace of the recovery in the United States and of some of our trading partners. In the November budget, to which the hon. gentleman referred, I anticipated for the country the difficulty of the unemployment situation and moved into a strongly expansionary posture with a \$3 billion cash deficit at that time which, through the operation of what economists call "automatic stabilizers", is roughly \$5.3 billion at the moment. This is a very strongly expansionary posture anticipating the current problem of unemployment, reinforced by the budget of two weeks ago by a direct employment program in co-operation with my colleague, the Minister of Manpower and Immigration, of \$450 million. Those are very strong indications of the concern of this government about a very difficult problem.

**Mr. Alexander:** Mr. Speaker, in light of the fact that the Minister of Finance has declined to answer a very specific question, I should like to direct the following question to the Prime Minister. On June 26 the Prime Minister told the House that he would look into the matter of how many new jobs the government expects to be created in the economy of 1975. My simple question is, has he completed his look into the matter and can he make a report to the House?

**Right Hon. P. E. Trudeau (Prime Minister):** Mr. Speaker, I can report that job creation is continuing in Canada at a reasonably strong rate, and that the labour force growth has also remained high and the participation rate shows no sign of declining, but employment does continue to show surprising strength in the current economic buildup.

EFFECT OF GASOLINE TAX AND INCREASED PRICE OF OIL AND NATURAL GAS ON UNEMPLOYMENT—REQUEST FOR STATEMENT

**Mr. Edward Broadbent (Oshawa-Whitby):** Mr. Speaker, since the unemployment figures released today reveal

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that for each of the past six months there has been a constant increase in the seasonally adjusted figures for unemployment in Canada, and we still have in excess of 700,000 unemployed, and since independent experts have calculated that the effect of the minister's proposed excise tax and increase in the price of natural gas and oil together will have a negative effect on unemployment of one-half a percentage point and a negative effect of one per cent on the growth rate of the economy, I would ask the Minister of Finance whether his own department has made calculations of the effects of these two measures and, if so, will he inform the House what those calculations are?

**Hon. John N. Turner (Minister of Finance):** Mr. Speaker, we calculated among a range of assumptions as one must do in terms of unemployment. It depends very much on the participation of various age groups in the labour force, and it depends very much, as I said, on the up-trend of the economy. What the hon. gentleman ought to realize is that whatever short-term, and I mean short-term, adverse effects both in terms of growth and cost of living may result from the increased price of gas and oil and the excise tax on gasoline, they must be read in the context of a very expansionary fiscal posture.

**Mr. Broadbent:** What is the net effect?

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**Mr. Turner (Ottawa-Carleton):** The net effect is this: we have put the country into a far better position to sustain itself against what we have predicted to be a difficult unemployment situation in 1975, an unemployment situation which will not improve appreciably until the economy recovers, well into 1976.

SUGGESTED RECONSIDERATION OF GASOLINE TAX IN VIEW OF POSSIBLE EFFECT ON EMPLOYMENT

**Mr. Edward Broadbent (Oshawa-Whitby):** A supplementary question, Mr. Speaker. Since those who decide to speak candidly about the tax increase, or the price increase have reached a negative conclusion, which means, in terms of lack of growth, that some 15,000 jobs will be lost in the province of Ontario alone, may I ask the minister, considering all the evidence supporting this analysis, if the government will reconsider its position on the excise tax.

**Hon. John N. Turner (Minister of Finance):** Mr. Speaker, the hon. gentleman must look at the entire context of the picture in 1975, 1976, and 1977. The situation at the moment is this: the federal government has introduced the strongest expansionary policy, in terms of the cash deficit required, in the history of this country.

GOVERNMENT CONSIDERATION OF ALTERNATIVE PROGRAMS TO CREATE JOBS

**Mr. Edward Broadbent (Oshawa-Whitby):** Mr. Speaker, may I direct a final supplementary question to the minister. Since the minister obviously will not reconsider the gas and oil policy, is the government considering other kinds of alternative employment programs which will