

Oral Questions

Hon. John N. Turner (Minister of Finance): This is a great game of selective statistics again advanced by my hon. friend.

Some hon. Members: Oh, oh!

An hon. Member: Answer.

Mr. Turner (Ottawa-Carleton): One figure applies to the calendar year, and the other applies to the fiscal year.

Some hon. Members: Hear, hear!

Mr. Hees: You have your skates on today, John.

REQUEST FOR INTRODUCTION OF EXPANSIONARY BUDGET

Mr. Edward Broadbent (Oshawa-Whitby): My question is directed to the Minister of Finance. Since the budget which he introduced last fall has already bitten into the lives of the 817,000 Canadians who are unemployed now, I wonder if the minister would seriously consider introducing a new budget in this House within a couple of weeks which would take into account the fact that we are involved in the most serious recession in the Canadian economy since the 1930s. Also, would he include in that budget such measures as a \$400 tax credit for all taxpayers, and for those who do not pay taxes in Canada, programs including massive expenditures for housing and massive public works projects so that in effect it would be an expansionary budget? Would he consider doing that soon?

Hon. John N. Turner (Minister of Finance): The description in the preamble advanced by the hon. member may describe the United States economy but it does not describe the Canadian economy.

Some hon. Members: Hear, hear!

Mr. Turner (Ottawa-Carleton): The stimulus injected by the November budget took effect as of January 1 in the reductions affecting the 1974 and 1975 tax rates. If the House would see fit to pass the budget bill now before it—

Some hon. Members: Hear, hear!

Mr. Turner (Ottawa-Carleton):—we could reinject into the economy the refunds for which Canadian taxpayers are waiting.

Some hon. Members: Hear, hear!

* * *

INDUSTRY

AUTOMOBILES—GOVERNMENT ACTION TO DEAL WITH RECESSION CAUSED BY LAY-OFFS

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, my supplementary question is for the Minister of Industry, Trade and Commerce. Since the increase in unemployment in the province of Ontario between December, 1974, and January, 1975, was a full 100,000—probably the largest increase, on a monthly basis, for any province

[Mr. Stevens.]

in the history of this country—much of it due to the recession in the automotive industry, could the minister inform the House what specifically the government plans to do to deal with the recession in that industry, apart from waiting to see what happens in the United States?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, we have been in very close touch with the industry. In particular, we are trying to assist the parts industry which suffered the greatest slow-down last year. The hon. member should know that the strength of the Canadian automobile industry depends now, and will in the long run, on the strength of the United States market. Very close to 80 per cent of the production of Canadian auto plants goes to the United States. When that market is weak, it has an effect on the Canadian auto industry.

Mr. Broadbent: A final supplementary, Mr. Speaker. Since the major reason that 80 per cent of production goes to the United States is that cars produced here are sold \$400 or \$500 cheaper in the United States than they are in Canada—hence the lower percentage of sales in Canada—I ask the minister if he will consider removing the 12 per cent federal tax on automobiles in Canada on condition that the automotive industry in this country brings down prices to Canadians to at least the American level, which kind of action is about ten years overdue.

Mr. Gillespie: Mr. Speaker, any reduction with respect to sales tax would have no effect on the major part of our market; that is to say, the 80 per cent of the output which goes to the U.S. market.

* * *

[Translation]

TRANSPORT

INQUIRY WHETHER NEW RAILWAY RATES WILL APPLY EQUALLY TO TRUCKING IN EASTERN QUEBEC

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I would like to ask the Minister of Transport a question.

Since railways have decided to apply the new freight rates, could the minister tell the House whether the Transport Commission will be or has been called upon to modify the subventions granted for transportation of goods in the area east of Lévis towards the Gaspé peninsula, and whether this review will also apply to trucking?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, the simple answer to the second part of the question is no. As for the first part, I know this problem is still discussed between railway companies, the Canadian Transport Commission and the courts. So it will be a few weeks before we know exactly what the situation is.