

## CORRESPONDENCE BETWEEN JULES DEMICHER AND GOVERNMENT CONCERNING EMPLOYMENT AND DISCHARGE

## Motion No. 212—Mr. Nowlan:

That an Order of the House do issue for copies of all correspondence, telegrams, and other documents exchanged between Jules Demicher and the government regarding his employment in, and his subsequent discharge from the federal Public Service.

**Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council):** Mr. Speaker, the government wishes to advise the hon. member that as this matter is now the subject of an inquiry it would be inappropriate to table any such documents at this time. I therefore request the hon. member to withdraw his motion.

**Mr. Nowlan:** Agreed.

**Mr. Speaker:** The motion is withdrawn.

Order discharged and motion withdrawn.

**Mr. Jerome:** I ask that the remaining Notices of Motions be allowed to stand.

**Mr. Speaker:** Is it agreed?

**Some hon. Members:** Agreed.

## ORAL QUESTION PERIOD

## FINANCE

## SHARED-COST PROGRAMS—OPTING OUT—EFFECT OF ITEM IN SUPPLEMENTARY ESTIMATES (C)

**Mr. H. W. Danforth (Kent-Essex):** Mr. Speaker, I wish to address my question to the Prime Minister. It is based on a statement attributed to the right hon. member that in no way would Ontario be able to opt out of federal-provincial shared-cost programs and receive fiscal equivalents like the province of Quebec. Will the Prime Minister make a statement to reconcile this firm stand under the Established Programs (Interim Arrangements) Act with the fact that just a few weeks ago an item was slipped by the government into Supplementary Estimates (C)—

**Mr. Speaker:** Order, please. That obviously is not a question. The hon. member is making an argument now and I suggest that the question as asked is not in order. If the hon. member is seeking information, he should ask a question. I appreciate that he has invited the Prime Minister to make a statement but, even when an hon. member does that, the question should be asked in a way that cannot be considered as argumentative from the point of view of the Chair.

**Mr. Danforth:** Thank you, Mr. Speaker. Perhaps Your Honour will allow me to rephrase the question. I ask the Prime Minister if the \$1 item that was placed in Supplementary Estimates (C), which extended this very privilege to the province of Quebec and other provinces, did not include the province of Ontario?

## Inquiries of the Ministry

**Right Hon. P. E. Trudeau (Prime Minister):** Mr. Speaker, there is no difficulty in explaining this, if the House will bear with me. As I explained yesterday, the offer was made under the Established Programs (Interim Arrangements) Act in 1964. It was offered to all provinces. At that time only one province accepted. That was the province of Quebec. When we brought in tax reform in 1969, we explained that the tax points would no longer have the same meaning under the new taxation laws and therefore the same offer could not stand. In the meantime, Quebec, having accepted this temporary arrangement, was pressing to have the temporary arrangement made permanent. We said to them, as we are saying to Ontario: We cannot make it permanent until we know the value of a tax point; therefore, let us extend it temporarily on a yearly basis. After tax reform, we can then sit down and see whether we are going to have the same opting out or different provisions and how they could be made permanent and how they could be made available to Ontario as well as Quebec, and to any other provinces which wished to exercise that option.

**Mr. G. W. Baldwin (Peace River):** Would the Prime Minister assure the House that the extension to the province of Quebec for two years involving the sum of \$25 million will not be resumed after that date?

**Mr. Trudeau:** If the hon. member is presuming that we shall be here in two years to make that decision, I accept the premise.

**Some hon. Members:** Oh, oh!

**Some hon. Members:** Hear, hear!

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## THE CANADIAN ECONOMY

## STATEMENT BY ECONOMIC COUNCIL CHAIRMAN ON INFLATION AND EMPLOYMENT OUTLOOKS—GOVERNMENT POSITION

**Mr. Max Saltzman (Waterloo):** I wish to direct a question to the Prime Minister, Mr. Speaker. Yesterday the chairman of the Economic Council of Canada stated that in the view of the Council inflation may be a problem for decades in Canada, that full employment would take three years to reach in the best of circumstances and that the economy is losing \$3 billion a year in terms of production. Can the Prime Minister tell us whether the appraisal of the Economic Council is shared by the government or, if it differs, in what way is that difference reflected?

**Mr. Speaker:** The hon. member's question is a very interesting one, but it seems to me he has raised large issues and that he is inviting the Prime Minister or someone on behalf of the government to make a very general statement of the kind which ought to be made on motions. Perhaps the question might be rephrased.

**Mr. Saltzman:** May I just ask the right hon. gentleman whether the government has set a date by which this country will return to full employment?