

been adequately dealt with, such as increased water turbidity and temperatures. All of these facts are clearly outlined in our diplomatic note No. 432 which the minister tabled in the House some days ago.

We appreciate the concern expressed by a number of honorable members with regard to this situation. Honorable members will note that we have drawn to the attention of the U.S. authorities the implications which this project could have for the intent of the Stockholm declaration and the obligations assumed by Canada and the United States under the Boundary Waters Treaty. The problems posed by the Garrison diversion project do not automatically involve the International Joint Commission under the provisions of the Boundary Waters Treaty. Because this is so, we are continuing at present to deal with the matter at an intergovernmental level.

Until we receive a reply to our October 23 note, it is not clear whether a role by the International Joint Commission would become necessary with respect to this problem. We are confident that we shall have the opportunity to meet with U.S. officials in the coming weeks to seek a solution to this problem, and of course we hope that the United States will respond positively to the request for a moratorium contained in our note of October 23 last. I can assure the House that any solution, as we have repeated in the past, shall ensure that Canadian rights and interests have been fully protected.

PUBLIC SERVICE—AMOUNT OF INCREASES OFFERED BY GOVERNMENT TO THOSE AT LOWER LEVELS

Mr. Don Blenkarn (Peel South): Mr. Speaker, on October 25, 1973, I asked a question of the Minister of Finance (Mr. Turner) as recorded on page 7212 of *Hansard*. At that time it became apparent that the government was likely to take the advice of big business—the advice it usually takes—and increase the pay scale to senior members of the public service to some \$60,000 per annum, an increase of approximately 20 per cent in pay levels. At the same time, the government was making an offer to junior persons in the public service of approximately 7 per cent over a three-year period.

We understand that the senior people in the service are not unionized, and that this was a preliminary offer. But I address the House tonight on the principles of that offer and on the principles of this government. And while my friends to the left are here, let me say that these are the principles they support when they support this government. There has been in this country, over the past few years and months of inept administration, an inflation rate of 8.7 per cent. A person earning \$100 a year ago now has the purchasing power of someone earning \$91.30. So they have had a cut of 8.7 per cent in their real purchasing power. This government has the audacity to suggest, as a matter of bargaining, that 7 per cent over three years is all they are entitled to. It may be that the civil service of this country is not too efficient. Many of us in this House have seen the waste of this government. But that waste must be attributed to the management of the government. It must be attributed to the very people who are to be offered the 20 per cent increase. There is no indication that the government will increase its efficiency, its use of people, its

Adjournment Debate

organization of the affairs of Canada, by increasing the pay scale offered to those at the higher level. So in order to save dough, it suggests that those at the lower end of the scale must receive less.

● (2210)

A moment ago I spoke of 8.7 per cent inflation. Analyse that important statistic produced by Statistics Canada, and what do you find? You find that it includes a whole range of things like housing. It includes the fact that a great many people in this country own their own homes, and the debt associated with those homes five or ten years ago at rates of 5 per cent, 6 per cent, 7 per cent and 8 per cent. But the young couple coming to the housing market today, some of them working for the government in junior positions, are not faced with that kind of inflation in housing but with a rate of inflation that in my riding alone drove up the price of houses nearly 20 per cent this year.

While the inflation rate may average 8.7 per cent, we must ask ourselves, what does the average mean? It reflects the advantages for those with some capital in their pockets. It reflects the fact that some families do not have growing kids at home who need more and more food. It does not reflect the fact that some families have had to buy more groceries this year than last year, and that the cost of groceries is up 16 per cent to 18 per cent.

That 8.7 per cent is an across the board figure and when applied to growing families is not realistic. What does the government offer to the junior people on its staff? It offers 7 per cent over three years. I say that that offer is inexcusable. Speaking at this time of year, I say it is the kind of offer that only Scrooge could suggest. There is no justification for an offer to anyone working for the public service of this country that does not reflect the cost of living. We must remember that the bulk of the rise in the cost of living is the result of inept government, a government that prints money to pay its bills, a government that refuses to invoke an incomes policy to control the avarice of big labour and big business.

We have a government that takes advice from big business and big labour, big labour to my left and big business opposite me. This is a government that does not really care about the ordinary people of Canada. This is a government that says it is O.K. if only 20 per cent of the people in the country are able to stay even with inflation, and the rest of us get further and further behind with our grocery bills, mortgage payments and finance expenses. This government cannot be excused for making the kinds of offers it has made to the public service of the nation.

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, most salaries in the public service are established through collective bargaining in accordance with the provisions of the Public Service Staff Relations Act. When the parties are unable to reach agreement, the act provides for other methods of dispute settlement such as, in the case of nurses, binding arbitration, or in other cases, conciliation and possible strike action. In the case of arbitration, the arbitration tribunal has full authority to consider all factors including representations from the employer and the bargaining agent. The decisions of the arbitration tribunal