

• (1420)

I want to ask the Acting Prime Minister when he and his government will be prepared to table in this House the public parliamentary process that will lead to real constitutional reform.

**Hon. Pierre H. Cadieux (Solicitor General of Canada):** Again, Mr. Speaker, as was addressed by the Prime Minister on a number of occasions, it is important to have a public forum in order to discuss these very important issues because that is one of the things that Canadians had against the Meech Lake process. That is exactly what the Spicer commission is all about. I invite all Canadians to make their views known to that particular commission, and I am sure that in due time all parliamentarians here will have the occasion to participate in an appropriate debate.

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#### BANK OF CANADA

**Mr. John Manley (Ottawa South):** Mr. Speaker, my question is for the Minister of Finance. The minister will agree that if his own budget projections are going to be achieved, Canadians must become convinced that inflation will come down.

Does the minister still believe that the Bank of Canada and its governor have the credibility to reduce inflationary expectations of Canadians when the bank's annual report reveals that wages at the bank itself rose by 9 per cent last year and the governor's own wage increased by about 4.2 per cent?

Does the minister condone these increases, or is he willing to ask the bank to set the example he expects Canadians to follow?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I think that my hon. friend is aware of some of the details of the figures that he is talking about, but I would like to get these on the record for the House.

The increase in the salary bill last year for the Bank of Canada is based, first and foremost, on a 4 per cent basic structural increase for employees at the Bank of Canada. In addition to that there was a 1.2 per cent effective increase as the bank upgraded the quality of its staff by laying off people who were replacing people who were in low-income areas with people who were more highly

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qualified and therefore people who would be paid more money.

The final point is that there is an element of increase based on the performance pay that employees of the staff were getting.

As far as the salary of the governor is concerned, we found that there were a small number of senior officers of Crown corporations who had not received an increase for the last year. All the deputy ministers and a number of other senior members of Crown corporations had received a salary increase, so we thought it was only fair and appropriate to give the limited number who were still left the same increase.

**Mr. John Manley (Ottawa South):** Mr. Speaker, I believe Canadians will be incredulous to hear that the governor of the Bank of Canada and his employees got a performance pay increase for what they have done to Canada in the last couple of years.

**Some hon. members:** Hear, hear.

**Mr. Manley:** In the last 10 days the minister admitted that his pre-1980 election tax reform was the wrong policy for the time. Now the governor has admitted that his monetary policy of the same time was wrong. Who is going to pay the performance penalty for the recession that those policies have brought on? How about the minister and the governor?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, it is all very well for my hon. friend to make these statements, but he was one of the ones standing here in the House saying: "Don't increase interest rates because that would be the wrong thing to do".

**Some hon. members:** Hear, hear.

**Mr. Wilson (Etobicoke Centre):** What we have found and what the Governor of the Bank of Canada said in his statement was that the economy was going very strongly in that period and that possibly if anything interest rates might have been a little higher. That would have been the opposite of what my friend is saying now so he is trying to get on both sides of the issue once again.

**Some hon. members:** Oh, oh.

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#### THE CONSTITUTION

**Hon. Audrey McLaughlin (Yukon):** Mr. Speaker, my question is for the Acting Prime Minister. We heard over the weekend the premier of Quebec say he only wanted to have negotiations on a bilateral basis with the federal