

seems to be, that national productivity will just ease in a nice, gentle movement downward so there will not be any disruption. I thought this was a country where we wanted more production.

Dr. Young, the great adviser, says that if inflation is put under control, prices will stabilize. Of course prices will stabilize. Most businessmen are selling their inventories at cost. When it comes to replacing that stock, I anticipate an inflationary cycle of approximately 10 per cent because the cost of replacing those goods will increase. There is no way the cost will decrease, under the present system.

Let me review some of the facts of the economic situation in Canada. Our capital equipment, machinery and tools of production, is absolutely decrepit. We have the most inefficient accumulation of capital equipment of any country in the world, bar none. It has been said, and I think this from a very reliable source, that if our capital equipment were replaced we could increase productivity by 28 per cent. I have no doubt about that. I visited many plants belonging to friends and business associates. I am amazed that they can produce anything. So to blame labour for something which is entirely the fault of the government is really not right.

The cost of money is not going down; it is going up. So far we have not dealt with this problem at all. Our category of executives is not the best or the second best in the world; it is about tenth best. There is a great lack of executive ability both in junior and senior positions. This is no fault of ours. I think one of the great evils of having foreign-dominated industry is that there is no room for our own executive category to receive training. One of the great advantages of controlling our industry is that our junior executives have room in which to train and expand.

May I call it ten o'clock, Mr. Speaker?

PROCEEDINGS ON ADJOURNMENT MOTION

A motion to adjourn the House under Standing Order 40 deemed to have been moved.

POST OFFICE—TERMINATION OF LEGAL ROLE OF MINISTER OF COMMUNICATIONS AS HEAD OF DEPARTMENT

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, it is a privilege to launch the late-night show series for the third session of this Parliament. Perhaps to retain the shipyard analogy I should say "to sound the first toot." Doubtless my position at this time and place is some sort of bitter-sweet reward for being such a great contributor to this series in preceding sessions. I enjoy the packed galleries, the crowded House and the great anticipation of all my colleagues as we debate these matters at night.

I asked a question the other day about the Post Office Department because I was concerned about its administrative structure. As hon. members are aware, I have had

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some concern about this department in the last few years. I found it interesting to read the Government Organization Act in connection with the announcement by the Prime Minister (Mr. Trudeau) following the almost gentle and timid cabinet shuffle of a few weeks ago. On reading the two together, it would seem to me there is a great deal of room for uncertainty. The statute is clear. Section 3 (2) of the act as amended reads:

● (10:00 p.m.)

The Minister of Communications is the Postmaster General and has the management and direction of the Post Office Department.

That is pretty clear. But we were advised that the Minister without Portfolio from Longueuil (Mr. Côté) has responsibility for the Post Office Department, according to the press release. Yet that minister of harmonious, efficient administration, the Minister of Communications (Mr. Kierans), retains the title and portfolio. Who, then, is in charge? Who is the responsible minister?

One recalls very vividly an incident during the first session of this Parliament when the Minister of Indian Affairs and Northern Development (Mr. Chrétien) was being assisted in certain aspects of administration by the present minister in charge of housing. When conflict arose, questions were asked in the House more than once—and I have turned them up—concerning which minister prevailed. We received the answer quite clearly that in the case of any conflict between the minister without portfolio and the minister with portfolio, there was no question but that the minister with portfolio would prevail. So with regard to the Post Office today, who has and who has not the portfolio? If the minister from Longueuil, who said recently that he always tried to handle personnel in a reasonable way—and I believe him—should handle policies and people in a way not acceptable to the Postmaster General, what will happen? I imagine the employees of this important department would like to know.

The present situation is very far from clear. The *Edmonton Journal* the other day, in language less eloquent than I would put it, under the heading "Chicken with its head off" said:

Many Canadians will cheer the removal of Mr. Kierans from responsibility for the Post Office. But the re-appointment of Jean-Pierre Côté to the job—but not the title—of Postmaster General leaves the Post Office in a kind of limbo. It is not a regular government department since it is headed by a Minister without Portfolio. But neither has the government decided whether to turn it into an independent Crown agency.

The government should move quickly to end this uncertainty which is bound to affect staff morale and efficiency, already shaken by labour controversies and management clumsiness.

I presume the proposed amendments to the Government Organization Act will deal with this matter. But will we have the incredible situation of the movement of mail removed from the ambit of section 9(b), which refers to the Minister of Communications, being in charge of the development and utilization generally of communications undertakings, facilities, systems and services for Canada? The postal service has lagged, it has been slow; but surely it still deserves to be classed as