

Jim Smith is a trusted and diligent public service employee with 20 years of solid work behind him. He has problems like everybody else: his 10-year old son needs braces and the mortgage doesn't seem to be getting any smaller.

● (1702)

Despite this he felt good about himself, he felt good about the world as he walked to work one cold morning last February. When he arrived at the office a letter was awaiting him.

Dear Mr. Smith:

The current economic climate dictates that all government departments and agencies reduce their man year utilization. An extensive study . . . has concluded that the work presently performed by the R & D Labs is a supportive function that can be provided in other ways. Target date for the phase out will be Oct. 31, 1978.

Just a few lines from a deputy minister and the bottom drops out of Jim Smith's world. "I couldn't believe it. None of us could believe it. Sure we had heard rumours but we figured at the most they might discontinue some parts of the operation as guys reached retirement age. But to drop the whole thing! That seemed unbelievable to us."

That seems to be a cruel way of dealing with an employee, Mr. Speaker. From the May edition of the *Argus-Journal* another article states under the heading "No Job—Bitter Blow":

Although all the men are bitter, those who are close to retirement age have a special grievance. David Martin, 60, gives us his case. "I've been 21 years with the Lab. Three of my kids are in university and two are in high school." If I have to retire now, my pension will be \$8,400. You tell me how in the name of all that's holy I can get my kids through school on that income.

They give example after example of similar problems in the civil service. This government and its policies have put a fear into them.

Now we have the irresponsible statement from the hon. member for Ottawa West (Mr. Francis) to the effect that "PCs hurt PS morale". We are not the government, we have nothing to do with the hiring of these servants, and nothing to do with the fear this government is putting into the service. For a Liberal member to try to blame us for this situation in the civil service is absolutely ludicrous. This ridiculous statement that "PCs hurt PS morale" is now being considered by the civil service in Ottawa. This article states:

Ottawa West MP Lloyd Francis accused the Opposition . . . of undermining the morale of the public service with ill-founded, abusive attacks.

The situation is exactly the opposite. I would suggest to government members, including the hon. member for Ottawa-Vanier (Mr. Gauthier), that they should start reading some of these articles about some civil servants to find out what is going on in the public service, because you cannot operate a government department or any government operation while putting that type of fear into the minds of employees.

Some hon. Members: Oh, oh!

Mr. McKenzie: You can yell at me and ridicule all you want. I did not write these articles; civil servants wrote them.

We can talk about taxes, sales taxes and all the rest, but we are never going to be able to accomplish sales tax reductions, or reductions to the extent of \$500 million, with this type of threat to the public service, with public servants having to live with these conditions.

Income Tax Act

I do not know whether any government members intend to speak this afternoon. Perhaps we will hear something from the Minister of Finance tomorrow when we are in committee of the whole in respect of what action the government will be taking to deal with this mass exodus of business and investment money from Canada. I hope he will give us some information on this very serious matter. I will be questioning him in this regard, but I hope that he will make a statement.

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, before making a few remarks about the bill I want to say at the outset that I agree with and support wholeheartedly the main purport of the remarks of the hon. member for Halifax (Mr. Stanfield). All of us in this chamber, as well as several million Canadians, are engaged in a struggle to preserve, maintain, enlarge and renew our confederation. Every hon. member of this House is committed to that. In my opinion, and in the opinion of many others, the hon. member for Halifax holds a special place in the hearts and minds of members and millions of Canadians, a place that the rest of us would like to occupy. Not only do I have a great deal of respect and admiration for that hon. gentleman, we even do our hair the same way!

Nobody in this House has the business or the right to get up and call into question the desires of any hon. member or any party in this House regarding the strengthening and renewing of confederation. Using words such as "hatred" and "liar" does not only detract from the efforts all of us want to make, it adds nothing. I may disagree with the official opposition party, its policies and ideas, which I think are nothing more than a renewal of those of R. B. Bennett, but certainly each member of that party as well as others in this House has the same desire, goal and objective. That applies as well to colleagues in my party, the Creditiste members and the three independent members in this Chamber.

The Minister of Finance, his parliamentary secretary, and other government spokesmen have drawn a longbow in attempting to maintain they did not have unanimous agreement or a commitment from the ten provinces in respect of measures the government wanted to take on the levying of retail sales taxes. The Minister of Finance has put forward as an excuse that Quebec announced 48 hours after the budget what it would do regarding its retail sales tax.

The Minister of Finance had no business bringing in a budget until he had a commitment or an agreement from all provinces. If he was lacking a commitment by the province of Quebec, Saskatchewan, or some other province, he could easily have delayed his budget by two days or a week.

Given the circumstances which occurred—the budget being brought down and then 48 hours later Quebec saying what it would do about retail sales taxes—we do have unanimous agreement on the part of the provinces of Canada to reduce retail sales taxes, including the province of Quebec. The fact that Quebec took its entire 8 per cent sales tax of five commodities means simply that the province reduced its retail sales tax, which, is entirely within the jurisdiction of that province, as it is within the jurisdiction of any other province.