

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, I am not personally familiar with that case, but I will certainly look into it.

INVESTIGATION INITIATED BY BRITISH PRIME MINISTER—
REQUEST FOR FULL-SCALE INQUIRY

Mr. Otto Jelinek (Halton): Madam Speaker, my supplementary question is to the Prime Minister. As the Prime Minister knows, this country has had a long history of Soviet espionage activities, beginning with Igor Gouzenko's revelations in the forties, right through to last year when the Soviet ambassador was asked to withdraw three officials from his embassy in Canada for abusing diplomatic status to conduct espionage activities against the United States, from here in Canada.

In view of the apparent cover-up of the Watkins' case, which has been going on for some time, and numerous other questionable "diplomatic" activities in Canada, and in view of the Prime Minister's reluctance to table the Gouzenko papers, is he now prepared to follow Margaret Thatcher's example and initiate forthwith a full-scale investigation, not into this alleged specific cover-up that I am talking about but into over-all spy activities in this country and, more important, report them to this House and make them public?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the hon. member, as did his predecessor in question period today, talks about cover-up. "Stark cover-up" I believe was the expression.

Mr. Nielsen: Naked cover-up.

Mr. Trudeau: I repeat the suggestion I made to the hon. member for Durham-Northumberland. That side formed the government for a period of nine or ten months. They had access to these papers as much as I had access to these papers.

Mr. Clark: Not true.

Mr. Trudeau: The Leader of the Opposition says it is not true. Let him stand in this House and say that the convention which is operative somehow gives me access to papers of some previous administration to which he did not have access.

Some hon. Members: Oh, oh!

● (1425)

Madam Speaker: Order, please. The hon. member for Oshawa has the floor.

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THE ECONOMY

WAGE CONTROL PROGRAM—QUERY RESPECTING CABINET
STUDY OF REPUTED SECRET DOCUMENT

Mr. Edward Broadbent (Oshawa): My question is for the President of the Treasury Board. On February 24 I asked the

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Minister of Finance if the government was considering a wage control program. The minister, in his quaint way, neither admitted nor denied it, but said that if he ever had such a document presented to him it would be "swept away mighty fast". Well, I have in my hands a secret document—

Some hon. Members: Oh, oh!

Mr. Broadbent:—from the cabinet, and I would ask him if he would confirm that not only is there such a document outlining wage control methods but, in addition, there is a document that he himself prepared, file no. TBS 108-DP, and would he tell the House what decisions have been reached by the cabinet on these?

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, I believe the Minister of Finance has responded very directly to a question raised by the hon. member, or by some other hon. member of this House, with respect to wage and price controls. I am not aware of the content of the Treasury Board document which was cited under that reference number. I do not know what the contents of that document might be.

Mr. Broadbent: Well, that is a little bizarre. I understand the document is over the minister's signature, so it is a little unusual that he would not know what was in it, but maybe that is to be expected under present circumstances.

An hon. Member: Not so unusual.

Mr. Broadbent: Related to that question, though, would he confirm that the first document, which lays out in some detail a scenario for possible implementation of wage controls, acknowledges that public servants' salaries are well below average but should be singled out for rigorous control so that they would "provide a demonstration effect on private sector trends"?

In short, does not this document, which the cabinet is now considering, point out that wages are not causing inflation on the one hand, but singles out wages to be controlled as a means of curing inflation?

Mr. Johnston: Madam Speaker, no such document has been presented to cabinet. Furthermore, the inference that the hon. member wishes us to draw, that the public sector rates of remuneration are substantially below those of the private sector, is a subject which I have addressed on a number of occasions inside and outside this House. I have pointed out to members in committee, and in speeches in public forums, that our policy is not to lead the private sector. We have been consistent in that approach.

If one looks at last year you will find that settlements in the public sector federally were something in the neighbourhood of 10.8 per cent as against, as I recall, 11.2 per cent in the private sector. I believe that is a record of achievement by this government in being fair but firm in its bargaining positions, and I also say that, by and large, the public service unions have been most responsible in their demands as well.