

REQUEST THAT CONTINGENCY PLAN BE DEVELOPED
IMMEDIATELY

Hon. James A. McGrath (St. John's East): Madam Speaker, thank you for the privilege of asking a short supplementary question. Will he, as the lead Minister, act now to put in place a contingency plan which can address a disaster at sea or in the air before more lives are lost?

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, if the Hon. Member had been at the press conference this morning, he would know that General Manson answered that question, saying that they were already working on such a plan which could be implemented in the case of disaster.

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MINES AND MINING

PLAN TO TAX NORTHERN BENEFITS

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, my question is directed to the Minister of State for Mines. Now that the plan to tax northern benefits has received scathing criticism from a number of respected organizations, including the Canadian Mining Association, Northern Chambers of Mines, and mine workers, will she give a commitment to the House and to the tens of thousands of unemployed mine workers in Canada that she will fight the Government's plan to phase in this new burden on the troubled mining industry? Or on the other hand, does she still support this regressive plan which the President of the Canadian Mining Association has compared to "throwing an anvil to a drowning man", when the man needs a life preserver?

• (1425)

Hon. Judy Erola (Minister of State (Mines)): Madam Speaker, I do endorse the plan, and I would suggest to the Hon. Member that he have further conversations with people in the mining industry who have accepted the fact that the plan is fair in that the moratorium does last for another year and the taxation benefits will be phased in to allow for contract negotiations.

REQUEST THAT PLAN BE WITHDRAWN

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, it appears that the Hon. Minister does not read her mail. Whatever the magnitude of this tax, it is taking revenue from northerners and the mining industry of Canada.

My supplementary question is addressed to the Minister of Finance. The President of the Mining Association has said that this plan will reduce exploration and new mine development, erode the ability of northern minerals to compete on world markets, result in premature closing of existing mines, create labour unrest, and an exodus of people and capital from the North. In other words, this is a plan to depopulate the North. Will the Minister of Finance accept the advice of the President

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of the Mining Association and withdraw his December 2 decision to tax the mining industry out of existence?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I disagree totally with the assessment of the President of the Canadian Mining Association. The plan has been announced. It is a generous plan in so far as certain people of the North are concerned in comparison to others. The plan is here to stay and it is not going to be changed. I suggest that the President of the Mining Association should go on to something else.

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PUBLIC SERVICE

PENSION INCREASE DUE TO SUPERANNUATES—GOVERNMENT
POSITION

Hon. Edward Broadbent (Oshawa): Madam Speaker, I have a question for the President of the Treasury Board. According to the law as passed by this Parliament, retired federal employees would be entitled next month to an increase in their pensions equivalent to the increase in the cost of living. It is reported that the President of the Treasury Board told reporters yesterday that the Government of Canada intends to break the law of Canada by restricting pension increases to some 6.5 per cent. Under what authority does the President of the Treasury Board act when he says the Cabinet of the Government of Canada is going to break the law of Canada?

Hon. Herb Gray (President of the Treasury Board): Madam Speaker, I did not at any time say that this Government intended to break the law. What I did say to the parliamentary committee and reporters was that there are two lines of precedent that could be looked at. One line of precedent suggests that when a Bill of the kind we are talking about receives second reading and approval in principle by the House, the Government could proceed with the ultimate action depending on the final decision by Parliament. The other line of precedent suggests that the measure would have to be passed completely.

In any event, it is certainly not our intention to break the law. The cheques are not ordinarily sent out until after January 25. This House resumes on January 17, and I understand it is the intention of the Government House Leader to ask that the Bill be given priority. I suggest, therefore, that my hon. friend's question is quite hypothetical.

Mr. Broadbent: I suggest to the Minister, Madam Speaker, that respect for the rule of law is not hypothetical, and, given the past practice of this Government, that it is, indeed, a very relevant question.

REQUEST THAT INCREASE BE GRANTED UNDER EXISTING LAW

Hon. Edward Broadbent (Oshawa): I would like to obtain the assurance of the Minister that he is now telling the House