

## PENITENTIARIES

GOVERNMENT IMPLEMENTATION OF RECOMMENDATIONS OF  
SUBCOMMITTEE—MOTION UNDER S.O. 43

**Mr. Erik Nielsen (Yukon):** Mr. Speaker, under the terms of Standing Order 43, there can be no doubt about the urgency of this motion. In view of the fact that the unanimous report of the subcommittee of the Standing Committee on Justice and Legal Affairs on the penitentiary system in Canada was presented to the solicitor general on June 7, 1977, and in view of the fact that the response of the solicitor general to the said report containing 65 recommendations for penal reform in Canada was tabled in the House on August 5, 1977, and since the solicitor general has failed to adopt and implement those recommendations considered unanimously by the subcommittee members to be crucial to meaningful reform, and has otherwise procrastinated in the implementation of the recommendations in the said report, resulting in the renewal of hostage incidents at Millhaven, British Columbia penitentiary and Dorchester, in addition to other incidents such as the slaying of the warden of Archambault penitentiary on Tuesday last, I ask leave to move, seconded by the hon. member for Kingston and the Islands (Miss MacDonald):

That this House direct the government to adopt and implement forthwith the whole of the recommendations as presented to the solicitor general and the government by the non-partisan, unanimous report of the subcommittee on the penitentiary system in Canada.

**Mr. Speaker:** Under the terms of Standing Order 43, such a motion can be presented for discussion only with unanimous consent. Is there unanimous consent?

**Some hon. Members:** Agreed.

**Some hon. Members:** No.

REQUEST SUBCOMMITTEE BE REACTIVATED—MOTION UNDER  
S.O. 43

**Mr. Benno Friesen (Surrey-White Rock):** Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter which has been the subject of wide agreement in the past. Having regard to the recent hostage-taking at the B.C. penitentiary and at Dorchester, and the fact that in one such incident five men known to be dangerous were brought together in the visitors' area, I ask leave to move, seconded by the hon. member for Oxford (Mr. Halliday):

That the parliamentary subcommittee on penitentiaries be reactivated to investigate these latest incidents and present its findings to the House as soon as possible.

**Mr. Speaker:** Is there unanimous consent to such a motion?

**Some hon. Members:** Agreed.

**Some hon. Members:** No.

## Oral Questions

## ORAL QUESTION PERIOD

[English]

## THE CANADIAN ECONOMY

## SOURCE OF FINANCE MINISTER'S ECONOMIC ADVICE

**Mr. James Gillies (Don Valley):** Mr. Speaker, my question is directed to the Minister of Finance. From what sources is the minister getting his primary economic advice these days? I ask this question in light of reports yesterday that senior officials in the Department of Finance have said there need to be major economic changes if this country is to achieve its potential over the next three or four years, yet the minister has constantly stated in this House that there is no need for policy changes. So I ask, where is the minister getting his advice from at this time?

**Hon. Jean Chrétien (Minister of Finance):** I am receiving advice from people in the Department of Finance. I suggest the hon. member should read the article more carefully. We all agree there should be important structural changes in Canada, but we are saying at this time that we cannot solve our problems through fiscal and monetary policies.

● (1417)

**Mr. Gillies:** A supplementary question, Mr. Speaker. I think if the minister read the article carefully he would see that the first recommendation made by officials of the Department of Finance was that there should be a shift in our monetary and fiscal policy. On that point, I should like to ask the minister if he has had discussions with the governor of the Bank of Canada about the fact that the rate of increase in the money supply has gone up very substantially, because for the first time in the history of Canada a high proportion of new debt is being financed through the bank—in fact, 49 per cent.

Has the minister talked with the governor of the Bank of Canada about this new policy that the bank is following, and does he understand how inflationary this will be on the economy in the course of the next six months?

**Mr. Chrétien:** Mr. Speaker, I meet with the governor of the Bank of Canada every week and we discuss these problems. As everyone knows, the governor of the Bank of Canada has told the nation that he will operate his monetary policies within a certain framework. He is within the framework he indicated to the nation a few months ago.

**Mr. Gillies:** A final supplementary question, Mr. Speaker, in relation to the answer which the minister has just provided. How can he say that the governor of the Bank of Canada is still falling within that framework, when the rate of increase in the money supply has been tremendous in the last three months? Will the minister get the assurance of the governor of the Bank of Canada that an explanation for this fundamental change in policy will be made public by him?

**Mr. Chrétien:** Mr. Speaker, he has not changed his policy at all. I explained that he had set a limit on the growth of the