

POSSIBILITY OF DISCUSSION BETWEEN PRIME MINISTER AND
GENERAL DARE CONCERNING PARTI QUÉBÉCOIS

Mr. Erik Nielsen (Yukon): A supplementary question, Mr. Speaker. I would then ask the Prime Minister, in view of the appearance of this sentence in the leaked letter from General Dare:

When I discussed the criteria used to investigate the Parti Québécois and its members with the Prime Minister, he stated that the security service of the RCMP does not have a mandate...

In view of the fact that the Prime Minister is endeavouring to leave the impression that General Dare is mistaken with respect to a cabinet decision, can the Prime Minister say whether he had such a discussion with General Dare and whether he stated that the RCMP had no mandate to do the thing the general said in his letter the Prime Minister said?

• (1440)

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I read the answer which the Solicitor General gave to this, and it was substantially correct, in that the discussion to which, presumably, General Dare is alluding is a discussion in a cabinet committee which resulted in the cabinet decision. It is that decision, I imagine, to which General Dare is referring to when he talks of a guideline to directions. I repeat, it is an honest error on his part. It is certainly one of the incorrect statements in that letter.

CONSIDERATION OF FITNESS OF GENERAL DARE TO REMAIN
IN OFFICE

Mr. Erik Nielsen (Yukon): A supplementary question, Mr. Speaker. Since General Dare appears to be quite specific in referring to a discussion which he, General Dare, had with the Prime Minister, and, indeed, goes on in that sentence to tell Colonel Bourne what the Prime Minister said, in view of the high position which General Dare holds as head of the security services of this country, he, obviously, being a very meticulous policeman, has the Prime Minister, or cabinet, given any consideration to his fitness to remain in office, in view of the statement he has made concerning the Prime Minister?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, certainly, the cabinet has given no such consideration, nor have I, myself. Mr. Speaker, if the hon. member is making a serious suggestion, I will consider the matter. I have given my reaction in this House. I think General Dare is a very distinguished officer. I worked with him when he was in DND, and since he has been in the security services. I have always found him extremely competent. I can only explain this as an honest mistake. It is certainly not a deliberate attempt to mislead Mr. Bourne.

An hon. Member: Was it not an attempt to discredit?

Mr. Trudeau: The mistake probably arises from the fact that as a member of that cabinet committee, I did of course participate. I do not mind admitting I was one of those who would argue that a democratic political party should not be under systematic surveillance by the RCMP.

Some hon. Members: Hear, hear!

Oral Questions

Mr. Trudeau: My opinion on that, which was expressed in cabinet, is certainly protected by the usages concerning cabinet secrecy, but I do not mind repeating it here. It is my view and the view of the government that if the party is legal, it should not be under surveillance systematically by the Royal Canadian Mounted Police or any other police. I hope that is the view of the other side of the House.

Some hon. Members: Hear, hear!

Mr. Trudeau: What was incorrect, Mr. Speaker, was the inference drawn by General Dare from that decision in the paragraph which begins, "Consequently we believe," or whatever else the paragraph said. This inference, that because the party is not under surveillance the government does not want to have security clearances on everyone who occupies a sensitive position in the federal government, is wrong. It is erroneous. It is one of the mistakes I pointed out in the letter. I attenuate that, and see the attenuation of that mistake in the fact that General Dare himself in that very phraseology indicated that this whole matter should be referred to a cabinet committee for further elucidation, which indicates to my mind that he had some doubts about the conclusions he was drawing. As I explained to the House and to the press, if this unfortunate leak had not taken place, the matter would have been straightened in the normal manner and General Dare would have drawn the right conclusions.

* * *

FINANCE

ALLEGATION FEDERAL GOVERNMENT WOULD OVERLOOK
RATE INCREASES OF B.C. INSURANCE CORPORATION IN
RETURN FOR AGREEMENT ON ANTI-INFLATION PROGRAM

Mr. Hugh A. Anderson (Comox-Alberni): Mr. Speaker, my question is directed to the Minister of Finance. In a recent column in the *Vancouver Sun*, Alan Fotheringham stated as a fact that the province of British Columbia and the federal government had entered into a verbal deal whereby the federal government would overlook the Insurance Corporation of British Columbia's rate increases if the provincial government would enter the anti-inflation program. Since this agreement supposedly was entered into in the Minister of Finance's office on December 23, 1975 with the collusion of B.C. labour minister Alan Williams and B.C. finance minister Evan Wolfe, would the minister confirm or deny that any such verbal agreement was made and can he give the House any details of this meeting?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I would say that the report by Mr. Fotheringham is erroneous. There was no such agreement, in those terms. On the occasion of that particular meeting, which was very shortly after the Bennett government had taken responsibility in British Columbia, I met with the B.C. ministers and described to them the tenor of discussions which had taken place in the federal-provincial meetings and, particularly, the insistence of provincial governments that their price setting responsibilities and taxation measures should not be subject to the jurisdiction of the Anti-Inflation Board. This was the position of the provinces general-