

That is exactly what happened, and anything I may have said is related to what I observed with my own eyes and listened to with my own ears.

THE PUBLIC SERVICE

REDUCTION IN SIZE

Hon. Richard A. Donahoe: Honourable senators, notwithstanding the Auditor General's assertion that the public service is operating at only 60 per cent efficiency, and the commitment made in 1980 by the President of the Treasury Board that he would take steps to reduce the size of the public service, has the government abandoned that commitment, and why does it continue to expand in the face of the Auditor General's views as expressed on inefficiency?

● (1450)

Hon. H. A. Olson (Minister of State for Economic Development): Honourable senators, there are some statements in that question that are not factual. One is that there has been a rise in the total complement of the public service. That is simply not true. I believe that since 1976 the growth in the public service has been something less than 2 per cent over the whole period of time.

It is very difficult to answer questions when the preamble or the premise is based on absolutely false information. I am sorry to say that, but that happens to be what we are presented with today.

An Hon. Senator: Did you say "false"?

Senator Olson: Yes; the preamble to that question is absolutely false. I do not know how else I can answer.

Senator Donahoe: Honourable senators, I am highly entertained by the answer to my question, and I am moved to make one statement and to ask one further question. The statement I made was the result of what was positively and definitely stated in the estimates of this country. The estimates are produced by the people who run this country; they are the product of the government of this country; and they are brought forward and placed on the table before those who are elected to represent the constituents of this country. One would think, at the very least, that one could give credence to what the government puts forward as its view. In those estimates it is stated that there is to be a net increase of 2,152 person-years in the public service.

My question is: Can we believe what is in the estimates, or should we ignore it?

Senator Olson: Honourable senators, you should believe it.

Hon. G. I. Smith: How can we believe you?

TRANSPORT

MAINLAND-NEWFOUNDLAND FERRY SERVICE—SUBSIDIZATION OF PRIVATE CORPORATIONS

Hon. Robert Muir: Honourable senators, I have a question for the Leader of the Government—and may I be forgiven for

[Senator Donahoe.]

giving a short preamble? My question can be taken as notice as I do not expect to have the answer today.

As the Leader of the Government is probably aware, for years we have been combatting the subsidizing of shipping from the mainland of Canada to the Province of Newfoundland—that is, the subsidizing of private corporations which, in turn, are competing with CN Marine, which is a crown corporation. As a result, goods are being shipped directly from Montreal to Newfoundland and from Halifax to Newfoundland and are not going through the Port of North Sydney where the trans-Canada highway ends. The goods are supposed to continue by ship to Newfoundland. As a result, many, many people have been laid off—stevedores and CN Marine crewmen.

The chairman of the Manpower Adjustment Committee for CN Marine in the town of North Sydney—it is a combined labour-government organization—Mr. Guy LaFosse, met recently with the Minister of Transport, the Honourable Jean-Luc Pepin. Mr. LaFosse announced to all and sundry that the minister stated that:

he will propose to cabinet that all federal subsidies to private shipping companies be terminated so that the federal government would be subsidizing only the Gulf ferry service.

Could the Leader of the Government ascertain whether that minister has made that representation to cabinet, and, if so, how soon it will be acted upon. If it is acted upon, more goods will go through the Port of North Sydney, thus creating more employment, and this is better than subsidizing a private company such as the Leader of the Government and I might set up, for example, and, finding out that it cannot operate profitably, look to the government for handouts in order to continue operating.

Hon. Raymond J. Perrault (Leader of the Government): Honourable senators, the question will be taken as notice.

FOREIGN AFFAIRS

POLAND AND U.S.S.R.—SANCTIONS

Hon. Raymond J. Perrault (Leader of the Government): Honourable senators, a question was asked by Senator Roblin on February 24 concerning the government's policy with respect to the export of high technology items to Poland and the Soviet Union.

The government does not have a policy with respect to the export of high technology items to those countries. However, the government does have a policy to ensure, along with our allies, that strategic goods are not sold to East Bloc countries, such as Poland and the Soviet Union. Consequently, there are security controls that apply to the export of such goods.

A further question was asked by Senator Roblin on February 24 as to "whether it is the policy of the government to abstain from extending new commercial credits to the Soviet Union."