

Oral Questions

force, while it generally contributes to the financing of the RCMP?

[English]

Hon. Warren Allmand (Solicitor General): No, Mr. Speaker. Our department has offered all of the provinces equally the services of the RCMP. We have no program to provide compensation in place of police services.

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NATIONAL DEFENCE**POSITION OF ARMED FORCES MEMBERS ATTACHED TO NORAD FOLLOWING SPECIAL ALERT ORDERED BY PRESIDENT NIXON ON OCTOBER 25**

Hon. Paul Hellyer (Trinity): Mr. Speaker, my supplementary is directed to the Minister of National Defence. Following the notification of the chief of the defence staff at 18 minutes after two that Defcon III was being ordered, how much later was it that the chief of defence staff notified the minister, and what instructions did the minister give the chief of defence staff at that time?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, I think I have answered part of that question. As there was no action to be taken by the Canadian Armed Forces, I was not advised until normal working hours, which is about 7.30 the next morning for me.

Mr. Hellyer: I have a supplementary, Mr. Speaker. Do I understand—

Mr. Speaker: Order, please. The hon. member will be recognized for a last supplementary on the subject.

Mr. Hellyer: Do I understand the minister correctly that he is suggesting that the chief of the defence staff did not bother to advise him of the American action and consequently the government of Canada was totally unaware during all of those hours (a) that their forces were not on the alert and (b) whether or not they should be?

Mr. Richardson: Mr. Speaker, I have said I was advised a few hours after the call in the morning, and there was no action to be taken at that time.

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THE CANADIAN ECONOMY**GOAL OF GOVERNMENT RESPECTING RATE OF INFLATION**

Mr. James Gillies (Don Valley): Mr. Speaker, my question is for the Prime Minister. Would the Prime Minister tell us whether or not the government has accepted the recommendation of the Economic Council of Canada that for policy making purposes we should accept a goal in respect of inflation of having an inflation rate of about half of one per cent less than that of our trading nations?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the Economic Council of Canada indicated a series of goals which would be the aim for the Canadian

[Mr. Matte.]

economy in the period of the next three years. I have indicated that I consider those goals as a whole as a challenge for the government to fulfil and as a challenge to the private sector. In that sense we hope we will outperform over the long run most other industrialized societies. This is the aim of the government. We are glad that the Economic Council did set forth these goals, but the Canadian people must be cautioned not to take any of these goals in isolation.

Mr. Gillies: Am I to conclude from that answer that the government is willing to accept an inflation rate in Canada of 7½ per cent or 8 per cent per year if that is the rate some of our trading nations have?

Mr. Trudeau: Mr. Speaker, I repeat that the goal we will try to achieve will be the set of norms put forward by the Economic Council of Canada. It might mean in some years doing better and in some years doing worse, but on the specific question of inflation we do hope to continue to outperform over the long run the other countries of the western industrial world.

POSSIBLE MODIFICATION BY MINISTER OF FINANCE OF FORECAST IN LIGHT OF ENERGY SHORTAGE

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Minister of Finance. He has been asked questions about the possible effect on Canada of the energy shortage among our trading partners. Has he now had an opportunity to analyse the forecasted effects upon the economies of our trading partners in the coming months of 1974 and as a result has he seen fit to modify in any way the forecast previously made by his department with regard to our own economy in the coming months?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, as I said last week to one of the hon. gentleman's colleagues, while there might well be some negative effects on the economy as a result of the world energy shortage, it was still premature to base an economic policy upon them because at this stage there is no way of knowing what the shortfall or shortage will be.

Mr. Stanfield: Is it the position of the Minister of Finance that the general economic stance he took earlier in the year and continued through the year is still the appropriate stance for the government to take in view of the anticipated slowdown predicted in the case of some of our major trading partners? Does the minister still regard this stance as the appropriate one, or is he starting to put in place any measures to protect Canadian working people particularly against some of these secondary effects?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I am, of course, watching the situation closely on a day by day basis, but at the moment the economy is still operating at close to or at capacity, and it is still the view of the government that the fiscal stance is an appropriate one at this time.

Mr. Stanfield: In view of the fact the minister said last week that we must not minimize the effects of this and, on the other hand, that we must not exaggerate them, when