

Oral Questions

684 last April, would the President of the Treasury Board indicate whether this 7,000 escalation in the numbers is just a temporary increase, bearing in mind that up to last April when he took office there had been a steady decline in the number totally employed from June, 1979?

Mr. Johnston: Madam Speaker, I am sure the House would be interested to know that as a courtesy to the hon. member for York-Peel I have forwarded him monthly the information he has requested, and my covering correspondence indicates that to be used properly, the variables contributing to reported changes including any pertinent footnotes provided should be taken into account. I think he has ignored the caveat I have sent along with these reports.

However, I would like to point out, since the hon. member has raised the question, that indeed there has been an annual increase—we always look to annual increases—of approximately 1,026 permanent employees from August 31, 1979, through July 31, 1980. I assure the hon. member that I am looking into the reason for this extremely modest increase, but I suspect it is because in certain areas it is necessary for us to provide better service to the public.

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THE BUDGET**INCOME TAX—REQUEST FOR DENIAL OF INTENTION TO DE-INDEX PERSONAL EXEMPTIONS**

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, my question is addressed to the Minister of Finance and has to do with the continuing speculation that he will de-index personal income taxes in his budget, speculation which his replies earlier today continued to fuel.

Since he has not refuted this speculation and since he knows very well that de-indexing will place the heaviest burden on lower and middle-income earners and on women and single parents, will the minister take this opportunity straight-forwardly—even though it would be an eleventh hour conversion for him—to deny that he intends to go ahead with this punitive measure against Canadian taxpayers?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I think it would be unwise at this stage to begin to divulge piece by piece what is to be in the budget or not in the budget. Therefore I suggest to the hon. member that the full and comprehensive picture will be revealed tomorrow night, and I look forward to her applause at the conclusion of my statement.

Miss MacDonald: Madam Speaker, ministers in this House would get applause if they would only answer a question now and then. The government's plan to de-index taxes has been criticized, as the minister knows, by the Canadian Federation of Independent Business, by the Canadian Labour Congress, by the Auditor General, by members in this party, and I presume even by some hon. members on the minister's own

back benches. Will the minister listen and pay heed to these representations before it is too late?

Mr. MacEachen: Madam Speaker, I have listened to the views which have been expressed by hon. members opposite in the House on the question of de-indexing, the somewhat contrary views which I believe have been expressed by the New Democratic Party as well as the views expressed by widely ranging groups in the country. I have listened to all the representations and the decision will be announced tomorrow night.

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PUBLIC WORKS**NEWCASTLE, N.B.—PROPOSED CONSTRUCTION OF PENITENTIARY**

Mr. Sid Parker (Kootenay East-Revelstoke): Madam Speaker, my question is for the Solicitor General. On Saturday I was in the city of Newcastle, New Brunswick, and was horrified to learn that the residents of this community have been waiting for several years for work to begin on a new penitentiary. During the past two election campaigns there have been two sod turnings in this area, but so far no work has actually begun.

In light of the fact that 2,500 residents recently turned out at a day of survival in Newcastle, can the minister assure this House that work is going to start on this penitentiary immediately and that the town will not have to wait for the next election before any more dirt is dug?

Hon. Bob Kaplan (Solicitor General): Madam Speaker, I am very pleased to inform the House that the plans for this penitentiary are still with us. There still is an intention to proceed, but there never was any firm start-up date which has been passed; the start-up date lies in the future. The commitment we have made is that that institution will be built when the inmate population proceeds to a point where it is justified.

Mr. Parker: Madam Speaker, my supplementary question is also for the Solicitor General. If, as the minister has apparently indicated, plans are not yet definite as to when construction will proceed, can the minister indicate why his backbencher, the hon. member for Northumberland-Miramichi, has promised this facility in no uncertain terms as being *a fait accompli* and why there have already been two sod-turning ceremonies as a part of that hon. member's past election campaign?

Mr. Kaplan: Madam Speaker, I have been in close touch with that hon. member and the statements he has made have been well justified by government policy.