

Adjournment Debate

[Translation]

Mr. Rolland Dion (Parliamentary Secretary to Minister of State for Economic and Regional Development and Minister of State for Science and Technology): Mr. Speaker, I am pleased to take the floor to answer the Hon. Member for Prince Albert (Mr. Hovdebo) who expresses concern about federal Government support for the co-operative movement.

After last December's Speech from the Throne, Mr. Speaker, a task force on the co-operative sector was established to study new ways in which that sector might improve its contribution to the economy. The Government has just received the task force report and will take it into consideration very soon, as it should.

With that in mind, Mr. Speaker, Senator Hazen Argue will set up an interdepartmental study group within a few weeks. This group will be chaired by a senior official responsible to Senator Argue and, through him, to the Cabinet. It would therefore be difficult and inappropriate to say more about the policy the Government might follow after considering the recommendations of the study group.

Mr. Speaker, I can state clearly that the Government has always been committed to promote the co-operative movement and contributed to make co-operatives play a larger role in the economy. In the early eighties, the Cabinet did realize that the objectives of the co-operative movement—fair prices, Canadian control and widespread participation—were at one with our own objectives in the energy sector. The Cabinet therefore began discussing the possibility of creating businesses jointly with the co-operative sector. Those discussions led to the creation of a joint energy venture, Co-Enerco.

In closing, Mr. Speaker, I believe it can be said that this Government is truly a keen supporter of the co-operative movement. I believe this has been demonstrated on many occasions and in many fields, including housing co-operatives, with which the Hon. Member for Prince Albert seems to be concerned. Of course, the co-operative movement in the field of housing is constantly evolving. Regular checking is needed to determine whether the various organizations or groups actually play their role well. Mr. Speaker, this is the reply I wanted to make.

● (1815)

[English]

LABOUR RELATIONS—INCREASES IN CORPORATE EXECUTIVES' SALARIES. (B) DOME PETROLEUM—EXECUTIVES' REMUNERATION

Mr. David Orlikow (Winnipeg North): Mr. Speaker, some weeks ago it was reported that executive salaries in Canadian industry and business rose by 12.5 per cent last year. This was at a time when the Government was urging restraint on ordinary working Canadians. The average increase for those who received wages or salaries was less than the increase in the cost of living last year. That is why I directed questions to the Minister of Finance (Mr. Lalonde). I questioned the difference

in attitude of the Government to the ordinary Canadians and senior executives.

In 1975 this Government implemented so-called wage and price controls. As it turned out, it was actually only wage controls. The Government had fought and won an election by promising never to implement wage and price controls. In more recent times the Government implemented its so-called six and five program for federal public servants. It urged other governments and the private sector to follow suit, and many did. Last year wages and salaries increased by less than the increase in the cost of living. At the same time there have been tremendous executive salary increases in many corporations.

A good illustration of how not to do things can be found in Dome Petroleum. That corporation exists today because of the tremendous tax concessions and write-offs permitted by this Government to the oil and gas industry. Dome Petroleum has been tremendously successful in using each and every facet of the tax laws as they have been changed. This has permitted it to keep operating. It has been able to keep going as well because it has borrowed many billions of dollars from the banks. The loans are now guaranteed by the federal Government. It has reached the point where the bank cannot permit Dome Petroleum to go bankrupt. That would create a catastrophe for the banks. I am reminded of Lord Keynes' famous observation, that if one borrowed one hundred pounds from a bank and could not repay it that person would be in trouble. However, if that person had borrowed a million pounds and could not repay it the bank would be in big trouble.

United States laws and regulations, unlike ours, require corporations which sell their shares on the stock market to file a great deal of information with the United States Securities and Exchange Commission.

● (1820)

Thanks to the information which Dome Petroleum was required to file in the United States we have learned that the new chief executive officer of Dome Petroleum, John MacDonald, has an employment agreement for the next five years which will pay him a yearly salary of \$500,000 in U.S. funds, plus annual increases equal at least to the rate of inflation, plus merit raises when the directors believe he is entitled to such increases, plus a moving allowance for moving from Calgary of \$100,000. As well, he will have a guaranteed pension which will give him over \$120,000 a year. According to the *Financial Times of Canada*, he received a total compensation of \$687,000 in the last three months of 1983.

It is not surprising that Dome Petroleum has done that for the new chief executive officer because, according to the *Toronto Star*, the former Chairman of Dome Petroleum, Jack Gallagher, received \$3,457,000 in 1983. Bill Richards, the former President of Dome Petroleum, received \$1,408,000 in 1983. Those are exorbitant figures but they have been matched by many other corporations in Canada which have paid anywhere from \$500,000 to \$1.5 million to their chief executive officers.