

Inquiries of the Ministry

charge of the Wheat Board. Will the minister take steps to see that letters of explanation and apology will be sent by the Canadian Wheat Board to those farmers who have been wrongfully sent letters threatening them with legal action and penalties with regard to outstanding balances on 1968-69 cash advances which in most cases are not in default?

Hon. Otto E. Lang (Minister without Portfolio): Mr. Speaker, I will take the specific suggestion of the hon. member under consideration and discuss it with the Wheat Board. I have discussed the matter with them, and they have made it clear in press releases that no farmer who has been delivering grain on quotas will be considered in default with regard to payments outstanding from the 1968-69 crop year. I will certainly be glad to check if that information is being adequately given to farmers who have received these notices.

Mr. Douglas (Assiniboia): Will the minister again recommend that prairie farmers be permitted to draw their full 1970-71 cash advances this fall, in line with the policy of last year, even though the previous year's cash advances may not be fully repaid?

Mr. Lang: Mr. Speaker, no decision has been taken on that as yet.

THE CANADIAN ECONOMY**INFLATION—RESTRAINT ON BANK PROFITS IN LINE WITH SIX PER CENT WAGE INCREASE GUIDELINE**

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I wish to direct a question to the Prime Minister. In view of the wide discrepancy between the 27.7 per cent increase in profits announced by the banks and the 6 per cent wage increase policy of the government, is the government giving consideration to a policy of restraint on profits such as it is proposing on wages?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the hon. member has obviously misunderstood the purpose of the whole operation. He is referring to percentages that have accrued over the past and it would obviously be easy to indicate many salaries and many wages which had gone up over the past by considerably more than 6 per cent—

An hon. Member: Twenty-seven per cent?

Mr. Trudeau: Yes. Some unions are asking for 30 per cent and 40 per cent, as the hon. member knows—

[Mr. Douglas (Assiniboia).]

Some hon. Members: Oh, oh!

Mr. Trudeau: So the question is really as to the future and the controlling of inflation. The hon. member should remember that the guidelines regarding profits were laid down last February, I believe it was, when the—

An hon. Member: For banks?

Mr. Trudeau:—banks and other members of the professional financial community agreed to certain guidelines, and that they would not raise their prices or charges as much as their costs. This is obviously intended to squeeze their profits. Once again these voluntary approaches can only work if we have the co-operation not only of all members of the community but the active support of all members of this House—that is, if they are really serious in wanting to fight inflation.

Mr. Orlikow: In view of the fact that the 27.7 per cent increase in the first six months of this year for the banks comes on top of a 25.5 per cent increase last year, or an increase of 53 per cent in two years, does the Prime Minister not think that the supposed guidelines should be looked at again to see if they really mean anything in terms of restraint on profits such as is proposed for wages?

Mr. Trudeau: Yes, Mr. Speaker. The guidelines proposed by the Prices and Incomes Commission are being looked at by that commission. That is why from period to period they have come up with new proposals and the government thus far has always supported them.

Hon. George Hees (Prince Edward-Hastings): A supplementary question to the Prime Minister, Mr. Speaker. Does the Prime Minister not agree that the fight against inflation would be greatly helped if he would screw up his courage, meet with top labour leaders of this country and discuss with them the important economic problems facing this country—

Mr. Speaker: Order, please.

Mr. Hees:—instead of being afraid of meeting with a rebuff from the labour leaders?

Mr. Speaker: Order, please. Perhaps I should remind hon. members that when the Chair calls for order, that is an invitation for hon. members to observe the request of the Chair. I believe the hon. member for York South wishes to ask a supplementary question.