

Oral Questions

● (1420)

I ask the Minister of Finance, since his fears now seem to be borne out in large part, what action is the government contemplating to make sure these profits are rolled back? The most important point is: if there are high profits, Canadians have very high prices.

Hon. Jean Chrétien (Minister of Finance): Mr. Speaker, first I would like to tell the hon. member that I do not consider profit is a sin as long as it is a normal profit. Having read the article that he referred to, the hon. member will realize that some of those profits occurred in some companies which were in a deficit position last year and lost money. If a company continues to lose money year after year, it will not last long in our society.

I think we have to look at the average level of profits in the Canadian economy. At the moment we realize that the level of profits in Canada is not above the average of the last 15 years, so there is no cause for alarm. When there is a better picture of profits that generate cash, that cash in turn can be reinvested to create jobs. I think it is a sign that the economy is picking up.

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CONSUMER AND CORPORATE AFFAIRS**ACTION AGAINST COMPANIES GUILTY OF PROFITEERING**

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my supplementary question is for the Minister of Consumer and Corporate Affairs. In view of the fact that profit gains are the highest since 1974, and that the Minister of Consumer and Corporate Affairs and the Prime Minister both said in February that companies which do not use their profits to further the national economic goals of the country could lose some federal government contracts, in view of the fact the minister said that he was looking into this possibility my question to him is: Has he decided yet whether the government will be levelling sanctions against some of these large companies with high profits? Will the government be withdrawing government contracts from some of these companies?

Hon. Warren Allmand (Minister of Consumer and Corporate Affairs): No, Mr. Speaker, we have not found that any companies are profiteering at the expense of consumers.

MONITORING TO ENSURE SALES TAX CUTS PASSED ON TO CONSUMERS

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, the Minister of Consumer and Corporate Affairs has said many times that he believes the 3 per cent tax cut to manufacturers which was introduced last November has been passed on to consumers. I ask the minister, has he completed the monitoring of those tax cuts? Can the minister tell us what evidence he has that those tax cuts indeed have been passed on? Can he

[Mr. Nystrom.]

tell us who he has been surveying, and can he table the evidence in the House?

Hon. Warren Allmand (Minister of Consumer and Corporate Affairs): Mr. Speaker, all the evidence that we have so far indicates that the tax cuts are being passed on. Plans were sent forward to the AIB toward the end of the year indicating how those would be passed on. The work is not yet finished; it is carrying on and we will continue to watch the situation very closely.

[Translation]

INQUIRY WHETHER GOVERNMENT INTENDS TO REVISE ROYALTIES LEGISLATION

Mr. Richard Janelle (Lotbinière): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs and concerns the Copyright Act.

Considering that the rates of royalties mentioned in subsection 19(5) of the act has not been amended since 1921, can the minister tell the House if he intends to revise these rates, and if so, when?

[English]

Hon. Warren Allmand (Minister of Consumer and Corporate Affairs): Mr. Speaker, the copyright legislation is presently under review. It is our intention to present a bill to this House in the near future to bring up to date and reform our copyright laws.

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ENVIRONMENTAL AFFAIRS**REPORT ON POSSIBLE SALVAGING OF OIL TANKER "KURDISTAN"**

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, may I direct a question to the Minister of State (Environment)? Could he give us an up to date report on the status of the stern section of the *Kurdistan* and whether or not there is any validity to the apparent conflict between assurance given in the House yesterday by the minister and reports alleged to emanate from the Minister of Fisheries that, in fact, the stern section is leaking oil?

Can the minister give us an up to date report—either he or the Minister of Transport—with respect to this section and whether or not there has been a decision to bite the bullet and either salvage or sink it?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, there is no evidence at all of any leaking of oil from the stern section. I believe there was such a press report yesterday, but there is no evidence of that at all. We do have a coastguard vessel immediately near it to watch out for that and other matters. The actual solution has not yet been determined as proposals are still to be put forward by the salvor in relation to the stern section. It is, of course, under tow by the salvor.