

## Oral Questions

## ORAL QUESTION PERIOD

[English]

## TRANSPORT

EFFECTIVENESS OF POWERS OF MINISTER AND COMMISSION  
IN DISCHARGING RESPONSIBILITIES—DEVELOPMENT OF NEW  
NATIONAL POLICY—USE OF CONSULTANTS

**Hon. Robert L. Stanfield (Leader of the Opposition):** Mr. Speaker, I have a question for the Minister of Transport, who recently indicated in the House that he had been given certain responsibilities with regard to transportation but not the powers to carry out those responsibilities. I would ask him whether it is his position that too much authority has been delegated by statute or placed in the hands of the Canadian Transport Commission, or is it his position that neither he nor the CTC has the necessary powers to discharge the responsibilities imposed?

[Translation]

**Hon. Jean Marchand (Minister of Transport):** Mr. Speaker, I have already indicated that, at the present time, the relationship between the authority granted the department or the minister, and the responsibilities assigned to them is absolutely disproportionate. Now, I should like to see some balance between them. I have made no distinction between the authority of the CTC and that of the department or that of the other government agencies and I say—and of this I am convinced, and I believe I mentioned it to the press yesterday—there is no one in Canada today to control all fields of transport because no one is authorized to do so. I am not asking that the Minister of Transport or the department really have the authority to manage all transport operations in Canada: this has no bearing on the matter. But, to my mind, the department does not have the authority required to set up an efficient policy.

● (1420)

[English]

**Mr. Stanfield:** The minister has described the present transportation policy, to use his words or a translation of his words, as a mess and has indicated it will take some six months to place an appropriate policy before cabinet to be considered. Who is developing this new policy? Is it being developed within the minister's department or by consultants?

**Mr. Marchand (Langelier):** No, Mr. Speaker. It is at this moment being developed within the ministry. Following that, it will have to be submitted to cabinet. Will we have to submit some aspects to consultants after that? We will have to wait and see whether we are faced with that problem. For the time being, it is being developed inside the ministry and inside the cabinet.

**Mr. Stanfield:** May I then ask the minister why a United States consulting firm has been retained to make a study of the revenue position of the railways?

[Translation]

**Mr. Marchand (Langelier):** Mr. Speaker, the government, the railway companies and even the committee of  
[Mr. Speaker.]

western transport ministers have retained the services of many consultant firms.

**Mr. Lawrence:** Why don't you appoint some of them to that committee?

**Mr. Marchand (Langelier):** Am I out of order?

I say that many consultant firms are now hired. Some are even hired by the western transport committee to look into various matters, like roadbeds—

[English]

—roadbeds in English, and on cost pricing and all these things. We have consultants who have been hired. However, on the new policy, to which I admit I was referring quite vaguely, nothing has been referred to any firm of consultants.

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## FINANCE

POSSIBILITY OF GOVERNMENT ACTION IN LIGHT OF LEVEL  
OF CORPORATE PROFITS

**Mr. David Lewis (York South):** Mr. Speaker, I wish to direct a question to the Minister of Finance. It arises out of a report in this morning's paper indicating that corporate profits showed an enormous increase in the fourth quarter of 1973 for various sectors of the economy. Of particular relevance is the sector of food processing which had an increase of 81.1 per cent in the fourth quarter of 1973 compared with the fourth quarter of 1972, obviously as a result of unjustifiable higher prices. Is the government considering doing something with regard to these inordinately excessive profits being made by the corporations of this country, particularly in view of the Prime Minister's statement that the government would not permit profiteering and gouging of the consumer?

**Hon. John N. Turner (Minister of Finance):** Mr. Speaker, that was a full question. I hope the Chair will allow me a full answer. As I said to the Canadian Labour Congress and yesterday to the Canadian Association of Railway Workers, the profit situation is a healthy one and we have reached a stage now where I can say to the business community that in my view not every cost increase need be passed along by way of a price increase. A good deal of the profit picture is reflected in higher inventory valuation. What I am particularly interested in seeing is that a good proportion of the profits has been translated and reflected in increased capital expenditures for plant and equipment which will be translated into new jobs, particularly in the manufacturing and processing industries. Insofar as profits are reflected in new investment, I would think that is a positive result. Insofar as profits are reflected in an untoward payment of dividends, that would not be as favourably received by me or by the House. The Prime Minister and I have both said that if there is evidence that profits reflect an unconscionable taking advantage of a shortage of supply or the economic situation, the government will take action.

**Mr. Lewis:** I did not ask the Minister of Finance to give me the answer I would hear from spokesmen for the