

Oral Questions

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Mr. Speaker, I would not necessarily expect the hon. member to understand the concept of labour surplus rates which has been used in the country for generations and for decades. It simply means that that is a formula which is applied because it is the one that can be allocated on a constituency basis and one which affects every single member of the House regardless of party. They receive an allocation based upon their constituencies, and that is why we used the labour surplus formula. I would be very glad to try to spell it out for the hon. member in a clear explanation so that he will not continue in his own confusion.

Mr. McGrath: Perhaps the minister might try to explain it to those constituencies where there is high unemployment such as St. John's East, which will receive no funding and has a concentration of 40 per cent student unemployment right now.

CANADA COMMUNITY DEVELOPMENT PROGRAM FUNDING

Hon. James A. McGrath (St. John's East): Mr. Speaker, while the minister is on his feet, perhaps he could explain how it is that the Canada Community Development Program in the past year provided an average of \$540,000 for 148 Liberal constituencies, \$188,000 for 101 Conservative constituencies, and \$162,000 for 33 NDP constituencies?

Some hon. Members: Oh, oh!

Mr. McGrath: If the old pork-barrel is not alive and well, perhaps he could explain just exactly what is at work here.

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Mr. Speaker, I think the hon. member for St. John's East is once again demonstrating how insensitive the Conservative Party is to the economic reality of the country. That reality is that there are many regions of this country where there is continuing, chronic high unemployment. Many of them happen to be centred in the eastern part of the country. Because they know the Liberal Party respects and responds to the concerns of those who are unemployed and those who are poor, that is the basis by which they elect Liberals and by which we allocate the funds, according to those who have the greatest need.

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● (1425)

ENERGY

SUNCOR CORPORATION—APPLICATION OF GOVERNMENT RESTRAINT PROGRAM

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. Yesterday we learned that the Suncor Corporation in Canada will not only receive \$35.5 million in tax cuts as a benefit from the people of Canada, but the company also announced a new pricing policy, namely, that while its workers' salaries will be

held down to 6 per cent increases, it will be permitted to have profits—that is to say prices—at historic levels.

Will the Minister admit that with this announcement of the first agreement with a private sector firm under the new controls program, the Government of Canada is now making its policy clear that while workers' incomes will be held down in Canada to increases not exceeding 6 per cent, the Government of Canada will permit corporations to attain historic profit levels and therefore historic price increases?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): No, Mr. Speaker, I will not agree with the reasoning put forward by the hon. member.

Mr. Broadbent: The minister cannot get away with that kind of an answer. We want an announcement and clarification of government policy.

GOVERNMENT POLICY ON PRICES

Hon. Edward Broadbent (Oshawa): Mr. Speaker, could the minister tell the House of Commons and the people of Canada what the government policy is with respect to prices? Is the government going to permit corporations to go well beyond the 6 per cent price increase, and will it be saying to them, in that context, that they can have what the government is calling historic profit levels? If it is the latter, who is to decide what those profit levels are? Is each company to be setting its own definition and, if not, who is?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Mr. Speaker, I am surprised that the Leader of the New Democratic Party takes objection to an investment of \$690 million, half of which is in southern Ontario and half in Alberta. I have negotiated with the company on this particular subject for over a year. Following the budget of last June 28 we have added a condition to the tax concession put forward in order to reach this agreement. We have added the requirement that the company adheres, within its own operations, to the 6 per cent and 5 per cent guidelines.

As far as prices are concerned, the company has also agreed that it will keep its prices in line in terms of the reduction in costs that will result from lower wage increases than may have otherwise taken place, and bearing in mind also the historic profit situation of the company.

As far as the general question is concerned, the Minister of Finance has indicated in the House that he expected to be able to have a release soon which would spell out the government's position both in regard to wages and prices, in relation to companies having dealings with the Government of Canada.

COMPANY PROFIT MARGINS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, so far, since this inequitable program was introduced, we have learned that Bell telephone rates will not be held down to 6 per cent increases, that rent increases for pensioners will not be