

CONSUMER AFFAIRS

MEASURES TO CURB HIGH LEVEL OF PROFITEERING

Mr. Edward Broadbent (Oshawa-Whitby): In the absence of the Prime Minister and the Minister of Finance, I have a question for the Minister of Consumer and Corporate Affairs. Considering that according to the report of the Economic Council of Canada which came down yesterday, manufacturing profits were up some 35 per cent in the last nine months—

Mr. Woolliams: Good.

Mr. Broadbent: My Tory friend, reflecting the philosophy of the Tory party, says "Good".

Mr. Woolliams: I like to see profits, don't you?

Some hon. Members: Oh, oh!

Mr. Woolliams: I always thought if we had profits we would have jobs.

Some hon. Members: Oh, oh!

Mr. Broadbent: I should like to ask the minister, since profits are up and real wages are declining, thus offering proof that we have had wage controls in the last few years but no price controls, whether the minister can tell us, on behalf of the government, what he plans to do about the high level of profiteering which exists in this country right now?

Hon. Warren Allmand (Minister of Consumer and Corporate Affairs): It is true that the CSIP report to the first ministers does indicate that price increases of food have been due in large part to increased profits and wage developments. I think that if the hon. member reads the report, he will see that wages did increase rather substantially and that moderation came only very recently. But they do blame the increases in the price of food on those two elements.

I must say, however, that I am somewhat perplexed, because the AIB report on profit margins which came out in June presented a different analysis. Since I only received this report today, I am still in the position of examining the details. But I agree with the hon. member that the allegations are serious and should be pursued, and I will report further when I have completed my studies.

Mr. Broadbent: If the minister would read the report with care, he would see that profits "have increased at a significantly faster rate than unit labour costs over the same period". The words which I should like to underline for the minister are "significantly faster".

My first question was not specifically about the food industry, but about manufacturing in general. Profits are up by some 35 per cent, in some sectors by 94 per cent and in others in excess of 47 per cent. I should like to repeat the general question: what does the government have in mind, given the fact that real wages now are declining at the rate of about 2 per cent a year, to stop the profiteering that is going on in the country and affects every Canadian family?

Oral Questions

Mr. Allmand: I think we will have to determine with precision whether or not there has been profiteering. It is true that this report indicates that the increase in food prices has been due in part to the great increase in profits, but I want to compare their work with the work of the AIB report to determine where the difference lies; and if action is required, we will look at it.

Mr. Broadbent: Considering that this report provides in a pretty clear and graphic way a comparison of food price changes with profit changes and with unit labour cost changes, I think it would not be an excessive challenge, even to this cabinet, to produce a document to show that that evidence is false. Certainly, every Canadian buying food knows the prices are going up.

● (1427)

Would the minister have the heads of the major food companies come to Ottawa and get from them their figures to explain the profiteering? Then, if he is convinced it is taking place, will he take steps to order rollbacks so that this gouging of consumers can be brought to a halt?

Mr. Allmand: Mr. Speaker, I have met on a regular basis with the heads of the food industry and other industries in the consumer business. As a matter of fact, this week I met with the manager of the Retail Council of Canada.

The hon. member made a good suggestion. I would be pleased to call them in and have them explain some of these figures.

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[Translation]

REGIONAL ECONOMIC EXPANSION

POSSIBILITY OF DECLARING OUTAOUAIS A DESIGNATED AREA—
GOVERNMENT POSITION

Mr. Gérard Laprise (Abitibi): Mr. Speaker, my question is directed to the Minister of Regional Economic Expansion. To a question put to him on December 14, 1977 by one of my colleagues on the possibility for the Outaouais region in Quebec of being recognized as a designated area, the minister replied in part, and I quote:

We have considered the possibility of intervening and are now considering it; I trust that within coming weeks, or possibly months, we will be in a position to announce a decision.

As that answer was given in this very House almost a year ago, can the minister tell us what has become of the study asked of his officials? In addition, when does he intend to make the final decision promised such a long time ago?

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Indeed, Mr. Speaker, for several months now we have been studying the economic situation in the Outaouais region. Part of that area, as we know, is already designated