

On Friday, the Minister of National Revenue said that he was investigating the charge made by clothing manufacturers that textile companies were taking advantage of the falling Canadian dollar to increase the price of their materials so that they are competitive with foreign prices and foreign textile manufacturers. I ask whether this inquiry is now complete. If it is complete, what are the results and what is the government going to do to make sure that domestic firms are not taking advantage of the low Canadian dollar to increase their products to the level of prices of their foreign competitors?

[Translation]

**Hon. Jean Chrétien (Minister of Finance):** Mr. Speaker, of course the question was put Friday. The hon. member must know whether or not the inquiry has been completed. To my mind, he is exaggerating somewhat. We are very efficient but not quite that much.

I should like to tell the hon. member that, naturally, if the situation is indeed what the hon. member says, I should be very sorry indeed because in the fall of 1976 we imposed quotas in Canada to give a chance to the textile industry to recapture that part of the Canadian market it lost to importers in years past. Now that they have the benefit of the devalued Canadian dollar, I hope they will not waste that opportunity of taking advantage of the situation by, instead of increasing their prices, taking over an even larger share of the Canadian market, increasing their investments and creating more jobs in Canada.

[English]

**Mr. Nystrom:** It is also my understanding that the Department of Finance has launched a similar investigation into lumber prices in this country, in view of the fact there are some charges that lumber prices here are being tailored to competition from abroad or the export price. We have also been told that Dow Chemical and Uniroyal Chemical are going to increase the wholesale price of herbicides by about 15 per cent, again because of the export price. Can the minister confirm whether there are investigations into lumber prices and chemical prices? If, indeed, they do find that these companies are taking advantage of the falling Canadian dollar, what kind of action is the government contemplating to make sure those prices are rolled back?

● (1440)

**Mr. Chrétien:** Mr. Speaker, we do not have the intention of controlling prices in Canada. I have said on many occasions since I became Minister of Finance in 1977 that we must move away from a controlled economy, get back to a market economy and let market forces operate. But I do hope people will not abuse the fact that we have a more competitive dollar which has opened up more opportunities for Canadians.

### Oral Questions

#### CONSUMER AFFAIRS

##### ADVERTISEMENTS RESPECTING CREATION OF WESTERN ARM OF CTC

**Mr. Don Mazankowski (Vegreville):** Mr. Speaker, I had intended to direct my question to the Minister of Consumer and Corporate Affairs, but in his absence perhaps I might direct it to the acting minister. It arises from the full-page advertisements on grain transportation placed by Transport Canada and being carried in western newspapers. I presume this is an attempt to bolster the image of the Minister of Transport. The advertisements make a great issue of the creation of the western arm of the Canadian Transport Commission. They give the impression that the western arm of the CTC can almost perform miracles in preserving branch lines scheduled for abandonment by the minister's own selected Prairie Rail Action Committee.

Could the minister investigate these blatantly misleading advertisements? I ask this because today, on contacting the information department of the Canadian Transport Commission and requesting an address and a telephone number for the western arm of the Canadian Transport Commission, I was informed that they had never heard of that institution; the only thing they knew was what they read in the newspapers.

**Hon. Len Marchand (Acting Minister of Consumer and Corporate Affairs):** Mr. Speaker, I shall be pleased to direct the hon. member's question to the attention of the Minister of Consumer and Corporate Affairs later today. He will be back in the House tomorrow. Judging from the content of the question, though, perhaps the hon. member should direct it to the Minister of Transport who, I am sure, can explain the situation to the satisfaction of the hon. member and of the House.

**Mr. Mazankowski:** Mr. Speaker, perhaps the reason we are not directing questions to the Minister of Transport is that we are fed up with his non-answers.

**Some hon. Members:** Hear, hear!

**Mr. Mazankowski:** However, since the Minister of Transport is so willing to reply, may I ask him how much of the taxpayers' money he has authorized to make possible this exercise in blatant political partisanship?

**Hon. Otto E. Lang (Minister of Transport):** Mr. Speaker, I will be delighted to give the hon. member the exact figure—I do not have it with me today. I hope he will understand that when farmers and communities are as concerned as they naturally are about the process of making application in connection with the abandonment of branch lines it is important they should have a clear understanding of that process and the way in which they can make their views known to the CTC. In my view it is very desirable this information should be brought to their attention in every possible way.

**Mr. Mazankowski:** What is the phone number and the address of the western arm of the CTC?