

Oral Questions

INFLATION—GOVERNMENT VIEW OF LEVEL WHICH MIGHT BE ACHIEVED THROUGH CO-OPERATION

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I hope the Prime Minister would indicate then to the First Ministers that this matter is of some prime concern and the meeting should be open to determine perhaps what role the Canadian people can play in that regard. On March 12 the Minister of Finance said:

What is dangerous is that current settlements are anticipating rates of inflation which project the rate effective in 1974, and if this continues to happen, it will become a self-fulfilling prophesy . . .

I am sure the Prime Minister must be very concerned at least with the prediction of the Canadian Labour Congress that inflation in fact will run around 12 per cent in 1975. Would the Prime Minister tell the House whether during the consensus talks the government has argued that a substantially reduced inflation rate is possible for this year, and if that is the case I am sure the Prime Minister would now be most anxious to tell the House what reduced level a program of co-operation could achieve?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I take the first part of the question as a representation and will convey the feeling of the hon. member for Hamilton West to the first ministers, his feeling about how important it is for the public to assist in the debates on the second day or whatever his expression was. On the latter part of the question, I think this is a good illustration of the inadvisability of the government making a complete statement on what it is doing in the consensus process at this time because the hon. gentleman chose as an example the labour movement. I feel it is very important to not ask any sacrifice by the labour movement if that sacrifice is not met by other sectors of the economy. It would be very unwise for me to answer, even in part, the kind of question put by the hon. member for Hamilton West.

Mr. Alexander: Mr. Speaker, surely the Prime Minister must know that so long as there is no indication from the government concerning what the inflationary rate will be, labour will have no leadership in this regard and will continue to make statements about what wage levels should be and wage settlements will be geared accordingly. Surely, the Prime Minister knows there should be leadership in this regard. Will he not give this leadership and indicate what this co-operation will do in terms of reducing the rate of inflation?

Mr. Trudeau: Mr. Speaker, there is no question that leadership is required, but what the hon. member seems to be arguing is that every stage of our consultation must be made public in order to prove our leadership to the hon. member. I say, Mr. Speaker, that our leadership can be made evident without that.

[Mr. Trudeau.]

COMBINES

POSSIBLE TAKE-OVER OF ARGUS CORPORATION BY POWER CORPORATION—GOVERNMENT ACTION TO PREVENT

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I should like to direct a question to the Prime Minister. Considering that the Royal Bank has made it known to the Power Corporation that if it should succeed with a take-over bid in respect of the Argus Corporation it, the Royal Bank, would put up the almost \$150 million in capital that would be necessary, I should like to ask the Prime Minister, considering that such a take-over and the investment associated with it would not represent an investment that would lead to increased productivity in the economy, whether the government in this particular case would take steps to ensure that this is not proceeded with and, second, would the government take the necessary steps to ensure that it would have the authority over investment patterns of this scale in the economy as a whole in the future.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I cannot, of course, comment on the preamble to the question. The hon. member seems to know more about what is going on in respect of the Royal Bank and the Power Corporation than I do.

Mr. Broadbent: I have my doubts about the Power Corporation.

Mr. Trudeau: Obviously, he has access to information I do not have. The concern he seems to imply by his question certainly is one I have expressed. I am looking into this matter. I do not think it would necessarily follow for the reasons alleged by the hon. member, but there is a question of the degree to which competition in Canada might be reduced by such a take-over and I am having the matter looked at. I might mention that if the House would co-operate with regard to the passage of Part I of the competition bill, then perhaps we could get on with Part II and perhaps deal with the matter raised by the hon. member.

Mr. Broadbent: Mr. Speaker, I should like to follow up the answer given by the Prime Minister and ask him, if in the course of investigations the government reaches the conclusion that some of the benefits that come from the alleged competition which now takes place would be removed by such a take-over, whether he would assure the House that the government would take the necessary steps to stop it?

Mr. Trudeau: Well, the question is hypothetical in its form, but it would seem to me if the hon. member would look at the first part of my answer he would understand that that, indeed, is part of my concern. My reference to stage two of the competition bill is that in the government's mind further steps would be taken beyond those which now exist in our law to give the government power to look into this kind of thing.