

Oral Questions

Mr. Kempling: I have a supplementary question for the same minister. Several Canadian parts suppliers are being asked to reduce prices, to hold prices at current levels, or carry Chrysler's account until other financial arrangements can be made. Where do they stand in any renegotiation of the loan agreement? Will the government seek to get assurances from Chrysler for Canadian businessmen who are assisting, at great risk and with no compensation? Will they get some protection?

Mr. Gray: Madam Speaker, I understand that the Chrysler Corporation in the United States is asking for concessions from its suppliers in that country. So far as I am aware, although I can check into it, none of the arrangements that are being contemplated by the U.S. authorities on the basis of which they may extend further loan guarantees involves protection for U.S. suppliers. But this is an aspect that I can certainly look into with respect to the Canadian situation.

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AGRICULTURE**INCOMES OF FARMERS—INCREASED COST OF FOOD**

Mr. W. C. Scott (Victoria-Haliburton): Madam Speaker, my question is for the Minister of Agriculture. It deals with the increased price of food. The over-all increase in the cost of living index is 11.2 per cent but the rise in the price of food for home consumption is 14.8 per cent. My question to the minister is this. Since the minister has repeatedly stated that farmers' income remains static and is even declining, I should like to ask him how he squares this with the 14.8 per cent increase in the price of food, taking into account the fact that farmers' income is steadily decreasing?

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, I do not know where the hon. member is getting his information. The income of farmers who are efficient, productive and well organized is not going down steadily. Statistics show that farmers' income is perhaps not exactly keeping pace with incomes in some other sectors of society, but farmers' income is still in the net profit position. I stand by what I said earlier that the agricultural industry in Canada is one of the healthiest in the world, and it is in one of its healthiest stages ever in Canada.

Some hon. Members: Oh, oh!

ALLEGED PROMISE TO CONTROL INTEREST RATES

Mr. W. C. Scott (Victoria-Haliburton): Madam Speaker, I have a supplementary question for the Minister of Finance. I should like to ask him what has happened to his grandiose promises of a year ago to bring high interest rates under control as a means of stemming runaway inflation and stimulating our economy, having in mind the effect that interest rates are having on farmers, on the small business community and on the cost of the food basket, and in view of his budget

prediction of a 9.7 per cent rate of inflation for this year which has now surpassed 11 per cent.

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the hon. member asks what happened to the promise which I made. I want to remind him that I did not make any promises with respect to interest rates because I realized at the time when this phenomenon occurred that it was probably a very difficult problem to solve quickly because it is the result of underlying inflationary forces. I do not think we are going to get interest rates down to the level we would like until we get inflation down, and that will take some time. I have said that in the past and I intend to repeat it in the House of Commons and elsewhere.

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COMBINES**REQUEST FOR ACTION TO DEAL WITH RESTRICTIVE TRADE PRACTICES AND PRICE GOUGING**

Mr. Ray Skelly (Comox-Powell River): Madam Speaker, I have a question for the Minister of Consumer and Corporate Affairs, but first I would like to suggest to the Deputy Prime Minister some other techniques for reducing inflation. As we know, the high inflation costs reported today are partly due to the price of energy. I should like to suggest that some major oil companies have contributed substantially to inflation by restrictive trade practices and price gouging. The department's answer to this over a few months has been that they have conducted a seven year investigation into the industry and into these practices, that the minister has promised to report the results of the investigation in July, in September and in December, but we have heard nothing as yet. It has dragged on and on and more and more promises are being made. Another investigation is promised, but no action is taken. When will the minister give us some action instead of promises and instead of more investigation? When will we get action to deal with these restrictive trade practices and gouging?

[Translation]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs and Postmaster General): Madam Speaker, I am pleased to advise the House that the Director of Investigation's report has now been completed. It is now being printed and translated and should be published in early February.

[English]

Mr. Skelly: Madam Speaker, this goes further than just reporting. The profits of the oil companies have increased up to 65 per cent in the first nine months of last year. Eastern refiners are looking at roughly a 100 per cent increase on their income margins, while U.S. producers have profits less than half of ours. I think that some of the problems have to do with the failure of the government to place before the House competition legislation which will work, as well as the failure of the minister to act vigorously in this area. Would he indicate to the House when that legislation will be placed