

Oral Questions

respect to the creation of that advisory committee, due to possible combines implications.

We are, in fact, in close consultation on the question of allocation with the provinces and we keep them informed. We are providing them with full details of the supply situation on a monthly basis, and I have taken steps with respect to that matter to have open statements made to the Canadian public about our supply situation. The National Energy Board is now issuing a press statement on a periodic basis. These are the things that are being done by this government which the previous government refused to do.

Mr. Breau: A supplementary question, Mr. Speaker. If the minister does not answer questions, we must continue to ask them. Can the minister tell the House if he has done anything to make sure that in the event of interruption of oil imports to Quebec and Atlantic Canada this winter, that western Canadian oil can be transported to eastern Canada? That is a simple question. Forget the rhetoric and just answer the questions.

Some hon. Members: Hear, hear!

Mr. Hnatyshyn: Yes, Mr. Speaker.

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THE CANADIAN ECONOMY

PROFIT INCREASES—DECLINING STANDARD OF LIVING

Mr. Bob Rae (Broadview-Greenwood): Mr. Speaker, my question is for the Minister of Finance. I wonder if he can reconcile two different sets of figures which have recently been released to this House. The first set is the one released today, showing that profits have gone up 51.9 per cent in the third quarter, and in some industries they have gone up as much as nine times in the third quarter.

Would the minister like to reconcile that particular figure with the figure released two weeks ago showing that the standard of living of the average Canadian was falling behind the rate of inflation? Would he like to compare the social justice of those two figures for the House?

Hon. John C. Crosbie (Minister of Finance): Mr. Speaker, I should like to refer the hon. member to the report of the Economic Council of Canada—an independent body, of course, with no axe to grind. In their latest report, they show that the real inflation adjusted rates of return which they have computed on business profits dropped significantly during the 1970s as a result of inflation, that the tax system increased the real decline of business profits despite various measures introduced to counteract that, and that the decline in real profits in that period adversely affected business investment, and that it is only in 1979 that the real rate of return is being restored to previous levels.

● (1425)

Therefore, I point out to hon. gentleman that these increases which he mentioned in percentage terms are not accurate. You have to compare them to what they are being increased from. It is this year, for the first time in five or six years, that business profits are becoming adequate; so that the aspersions he is casting on the business sector are quite unjustified, as usual.

An hon. Member: Put some life into it.

Mr. Rae: Mr. Speaker, I thank the minister for the spontaneity of that answer.

Some hon. Members: Oh, oh!

Mr. Rae: I would like to read to the minister a statement that he made last week, not in this House but in the Empire Club. He said:

But neither have I found Canadians so unrealistic, so naive as to expect and believe that we can achieve our economic goals without real sacrifice.

Relating the two figures that I have just given the minister, and of which he is fully aware, I ask him a very simple question: In this fight against inflation which the minister has embarked upon—helped, as he is, by the “Horsemen of the Apocalypse”—can he tell us who is making the real sacrifice in our society? Is it the food companies whose profits have increased 900 per cent in the third quarter, or is it the workers whose wages have fallen behind the increase in the rate of inflation?

Mr. Crosbie: Mr. Speaker, the hon gentleman's questions are predictable and that is why I have here a response ready from the Economic Council of Canada.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Crosbie: His jeers and sneers against the business community, the risk-takers and entrepreneurs of this country are very predictable. The kinds of figures that he uses and the kinds of comparisons that he makes are equally predictable and inaccurate.

Mr. Rae: Mr. Speaker, in light of the increasing evidence that the inflation from which we are suffering is caused by administered prices both in the energy field and elsewhere, I ask the minister if it is still the policy of this government to follow the policy set out by the Prime Minister in his statement to *Executive Magazine* in May, 1979, that competition policy is being placed on the back burner.

In addition, I ask the minister why he still has the ideological attachment to his opposition to the notion of a fair prices commission which would give Canadians the sense that in the pricing mechanism there is at least an element of justice as we face hard times in the 1980s.