

Mrs. MacInnis (Vancouver Kingsway): In view of the dramatic increase in profits in the food industry so far this year, for example, the 260 per cent profit increase on a 16 per cent in sales recorded by Ogilvy Flour Mills for the past six months, instead of the proposed handouts and incentives—

An hon. Member: By the Tories.

Mrs. MacInnis (Vancouver Kingsway): Yes, by the Tories—does the minister intend to introduce legislation to institute an excess profits tax to prevent further exploitation of the consumer?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, that is the type of budgetary measure that, if introduced, would be announced at the appropriate time.

[Translation]

Mr. Speaker: Does the hon. member for Joliette wish to ask a supplementary question?

Mr. La Salle: No, Mr. Speaker.

[English]

INFLATION—POSSIBILITY OF FURTHER ACTION IN TERMS OF MONETARY, FISCAL AND EXCHANGE RATE POLICIES TO EXERCISE CONTROL

Mr. James Gillies (Don Valley): Mr. Speaker, my question is for the Minister of Finance. In view of the fact that OECD studies now show that about 70 per cent of Canada's inflation is domestically induced and as the research department of the Bank of Montreal has stated that in their opinion a large part of inflation in Canada is home-made, does the minister still contend that there is nothing that can be done in terms of monetary policy, fiscal policy and exchange rate policy in Canada with regard to the rate of inflation that is taking place?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, it is the government's position that the fiscal and monetary policies are about right in the present state of the economy and that the prime thrust of inflation is still induced by forces on the demand side from world-wide source.

Mr. Hees: And the weather is bad.

Mr. Gillies: Mr. Speaker, I have a supplementary question. In all sincerity I wish to ask the Minister of Finance how he can possibly contend that our monetary, fiscal and exchange rate policies, which are the levers that determine inflation and employment in this country, are correct when we have the inflation rate that we have and when it is now said by most students that two-thirds to 70 per cent of our inflation is coming internally and not externally?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I disagree with the hon. gentleman's contention that most observers of the economy have the same opinion as he has.

Oral Questions

UNEMPLOYMENT IN ATLANTIC PROVINCES— CONTINUATION OF SPECIAL DEVELOPMENT INCENTIVES

Mr. David MacDonald (Egmont): Mr. Speaker, my question would have been for the Prime Minister but in view of the fact he is not taking questions today—

An hon. Member: He is sulking.

Mr. Trudeau: You are not taking the answers.

Mr. MacDonald (Egmont):—I will direct it to the Minister of Regional Economic Expansion who I hope will be concerned about this problem because it affects the Atlantic provinces. In view of the report today from Statistics Canada that the unemployment rate in the Atlantic region now stands at 9.6 per cent—

An hon. Member: Almost as high as inflation.

Mr. MacDonald (Egmont):—seasonally adjusted, and in view of the fact that as of December 31 this year the special development incentives provided in the minister's Regional Development Incentives Act will expire under section 9(3)(a), is the minister giving serious consideration to reviewing that expiration and has he initiated consultations with the appropriate provinces in order to consider whether action can be taken to alleviate the very serious situation in the Atlantic region?

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, the provinces and I have had such discussions. While I do not want to upstage them in terms of any announcements that ought to be made jointly—I think I have been consistent in making all announcements that have to do with the provinces jointly and have not tried at any point to upstage them—and do not want to be specific, I can hold out hope to the hon. member that the extension he is referring to with regard to the Regional Development Incentive Act probably will be announced before the end of the year.

UNEMPLOYMENT IN ATLANTIC PROVINCES—POSSIBILITY OF FURTHER LOCAL INITIATIVES PROJECTS

Mr. David MacDonald (Egmont): Mr. Speaker, I thank the minister for that assurance and I hope I will have additional success, in view of the short term measures that might be taken, with a question to the Minister of Manpower and Immigration. In view of the fact that the minister has said consistently that the allocation of local initiatives grants was related to the unemployment situation in the country, is his department giving serious consideration to the need for further projects in the Atlantic provinces because of the very large growth in unemployment there contrasted with other parts of the country?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, that obviously would depend on the decision whether or not to provide additional funds for the Local Initiatives Program, which decision has not yet been taken.