

Cost of Living

I say to you that these measures, when joined with measures of adequate support prices for the farmers of Canada in order to increase the supply of farm products, would have an immediate effect on the cost of living, would assist the people of Canada without storing up immense dangers as soon as the so-called freeze and controls, now proposed by the Conservative party, are lifted.

We are convinced that these are fair and practical proposals that would work. They require action in my view to curb the power and the profits of corporations, many of them multinational, which are taking advantage of the present crisis atmosphere which they themselves did much to create.

It is important to note that, as far as the NDP is concerned, at a time when most Canadians are feeling the pinch, corporate profits have been soaring at an unprecedented rate. This is an area that only New Democrats are willing to attack, but it is a crucial area.

Some hon. Members: Hear, hear!

Mr. Lewis: Let me put as quickly as possible some of the profit figures on the record. In the area of food, Weston, in the six months ending August 30 had an increase in profits over the same period last year of 63 per cent, with an increase in sales of only 17 per cent. B.C. Packers had an increase of 125 per cent in their profits and a sales increase of only 25 per cent. Silverwood Industries in the second quarter had an increase of 107 per cent and an increase in sales of only 10 per cent. Maple Leaf Mills in the six months ending June 30 had an increase of 111 per cent. Dominion Stores had an increase in the second quarter of 92.6 per cent with a 13 per cent increase in sales.

Let me put certain figures on the record in respect of banks, Mr. Speaker. The Toronto-Dominion Bank for three months ending July 31 had a profit increase of 50 per cent; the Bank of Montreal 46 per cent, the Bank of Nova Scotia 14 per cent, the Royal Bank 26 per cent and the Banque Canadienne Nationale 78 per cent. Indeed, Mr. Speaker, the increases this year are on top of an increase in 1972 over 1971 of more than 20 per cent for all the banks in Canada. In the five years from 1966 to 1971 their profit increase was a total of 85.3 per cent, higher than in any other segment of the Canadian economy. For that reason there is no excuse for increasing the interest rates, as the Minister of Finance (Mr. Turner) has permitted, thereby increasing bank profits.

Gulf announced an increase of four cents a gallon at their controlled and owned retail outlets. Despite this announcement it had a second quarter increase in profit of 67 per cent over the same period last year. Not only do these oil companies rip-off Canadians through depreciation allowances, tax deferrals and government handouts of every kind, but they also gouge the Canadian people at the pump, and this is where action is needed.

Let me speak for a moment about the field of housing, because every Canadian who wants to own a home is now suffering. The Cadillac Development Corporation for the first six months ending June 30 had an increase of 45 per cent in profits after taxes. The Campeau Company enjoyed an increase of 65 per cent after taxes. Monarch Investment Limited had an increase in profits of 110 per cent. Malborough Properties Limited had an increase of

[Mr. Lewis.]

284 per cent in profits, and Canadian Interurban Properties Limited enjoyed an increase in profits of 182 per cent. I say to you that these are unconscionable and ought not to be permitted by this government.

Some hon. Members: Hear, hear!

Mr. Lewis: I have cited some increases in profits in the fields of food, housing, banks and oil and gas only as examples. These increases in profits have a direct impact on the expenses of the Canadian consumer, and only action to stop this profit gouging will assist the Canadian consumer. This is clear evidence of a corporate ripoff, and is clear evidence of the need for an excess profits tax or other measures to end this callous profiteering. I do not say it would end inflation. I have never suggested that for the proposals we have made, but it would produce some fairness and equity for our people. This is also clear evidence that selective rollbacks which we have suggested are both possible and practical and ought to be imposed by a properly constituted Prices Review Board.

I am watching the time, Mr. Speaker, and I see that I have only about three minutes left. Let me in those three minutes deal very quickly in a little more detail with the proposals put forward by the Leader of the Official Opposition.

The fact is that there was a freeze in the United Kingdom in 1961 and in 1966. There was a freeze in Australia in 1962 and a freeze in Denmark in 1963. There was a freeze in the United States in 1972. In every case these policies failed and not only failed, Sir, but the results of these policies were disastrous for the people of those countries after the controls were removed. They have not worked and they will not work, Mr. Speaker. Furthermore, they are totally unfair; they lock into permanent position the inequities of present income distribution.

● (1620)

Had the Conservatives had their way, the freeze for the farmer—despite what they say about stopping at the farm gate which even they know is a sham—would have taken place many months ago. Where would the farmers be now in light of the increase in international prices? Had the Tories had their way, imagine the situation we would have been in with the railway strike. The railway workers would have been frozen into their inadequate wages. As a political necessity, the Leader of the official Opposition even moved for an increase in the wage rate provision of the bill that was presented to this House.

The fact is that we have not suffered and are not suffering now from cost-push inflation, Mr. Speaker. The fact is that the cost of living for the past number of months has barely kept up with the increase in the wages and the wage demands across this country. It is not the worker who is responsible, it is not the farmer who is responsible and the policy presented by the Conservatives is directed at punishing the worker and the farmer.

Some hon. Members: Hear, hear!

Mr. Lewis: We reject that kind of approach, Mr. Speaker, because it is unfair and unworkable. I ask the Leader of the Opposition to tell this House and the people of