introduce in the House a bill amending and widening the Combines Investigation Act in order, among other things, to define and provide penalties in the greater number of cases of misleading advertising and other unfair commercial practices....

Pensions tied to living costs

First, legislation has been introduced to escalate the pensions under the OAS and GIS plans every three months instead of every year. This will make these pensions much more responsive to price increases. The legislation will take effect in October 1973, when the basic pensions will increase from $100 to $105.30, reflecting the increases in the consumer price index for the ten-month period from October 1972 to July 1973; and the total pension, including the GIS supplement, will go from $170.14 to $179.16 for a single person.

Second, legislation will be introduced to remove the 2 percent ceiling on the annual escalation of pensions paid under the Canada Pension Plan. The provinces will be asked for their support of this change, as required by law. Parallelling this change in the CPP, legislation has been introduced today to remove the 2 percent ceiling on cost-of-living increases of pensions paid to retired employees of the Government of Canada.

As for private pensions, the Government proposes to remove the provision that only employee pension plans with a 2 percent maximum on the annual escalation of pensions being paid may be registered under the Income Tax Act. From now on, pension plans which provide for full escalation of pensions in response to cost-of-living increases will be registerable.

Third, the Government has already introduced a measure which will assist families with children to meet higher living costs: the virtual tripling of family allowances in January 1974, to an average of $20 per month. To meet the higher prices which must be paid now, however, Parliament will be asked to approve an interim increase in family and youth allowances to $12 per month starting in October next. The $12 allowances would not be taxable.

As for the poorest families in Canadian society, the Federal Government shares 50 per cent of the cost of social assistance paid by the provinces to families in need. The Government said in August, and repeats today, that it stands ready to pay 50 per cent of the costs of increasing these payments to compensate for higher prices. Certain provinces have already acted to do so, and others are undoubtedly considering taking such action soon....

Wheat and milk subsidies

We are completing discussions with the Canadian Wheat Board and the Ontario Wheat Producers Marketing Board to immediately reduce prices of wheat to millers and other users for human consumption in Canada. The reduction would be approximately to the level of the early August prices and would be part of a multi-year agreement which would provide guaranteed minimum and maximum prices to the Canadian farmer.

We would pay to the Wheat Board and other producers up to $1.25 a bushel of wheat consumed by Canadians – bread, pasta and all other uses – as a consumer subsidy. The result will be that a further bread price increase of about 5 cents a loaf, which was inescapable in October, will not now occur.

The Federal Government wishes also to alleviate the burden of the price of milk for Canadian families and insists that any measure taken will benefit consumers. The Government is therefore willing to guarantee payment of a 5-cent subsidy per quart of milk to the provinces where marketing boards will agree to maintain or reduce the cost of milk for at least one year. At the same time, the Government will set up a program aiming at reducing by an equivalent amount the price of a package of powdered skimmed milk. In this respect, it will hold meetings with provincial representatives without delay....

Petroleum products

Turning from food prices, another area of concern to Canadians and the Government is the price of gasoline and heating oil. The world is going through a period of rapidly escalating petroleum prices and Canada is not immune to world conditions. The market in Eastern Ontario, Quebec and the Atlantic Provinces is dependent entirely on international crude oil supplies, mainly from Venezuela, Iran and the Arab states. Crude oil from these sources has gone up in price by more than 30 per cent in the past year.

In the rest of Ontario and the Western provinces, which are supplied by Canadian production, the price has risen along with international prices. In part this is because about half of Canadian production is sold in the United States markets, where increasing reliance on foreign supplies has made the United States vulnerable to foreign prices. Canadian crude oil production has consequently been sold in the U.S. at the opportunity prices available, and the domestic Canadian consumer has seen this U.S. demand raise his prices too.

Prices of petroleum products, including gasoline and home heating oil, in Canada today have reached the point at which the Government believes immediate measures are required to stabilize the action of the market place in the interest of consumers and the rational development of Canadian industry. Accordingly, the following measures are now being announced:

Stabilization measures

(1) The oil industry will be asked to refrain from making further price increases affecting Canadian consumers before January 30, 1974. This price restraint would apply except where, to the satisfaction of the Minister of Energy, Mines and Resources, the increase in the cost of imported crude oil warrants a Canadian price increase.

(2) The Government intends to seek a control mechanism whereby higher prices in the U.S. market would not automatically increase prices at home in Canada. An export tax or a national oil-marketing board are two possible control mechanisms. Discussions will be held as soon as possible with provinces and industry prior to the introduction of legislation.

(3) The Government will also hold early consultations with provinces and industry on the extension of pipeline facilities so as to enable Canadian oil to be shipped into Montreal. At a time of rapidly-escalating international prices, this would put Canadian oil into competition with international oil and would give additional security against international disruption of supply....