

Anti-Inflation Act

that! Time will tell. I also remember the famous wartime prices and trade board. I have not forgotten that companies got rich on the black market while people were rationed.

I would also suggest that consumers' associations be consulted and that members of those associations become members of the board. Surely they should have sensible advice to give, and this would be an additional guarantee for consumers as a whole. So, since it is wished to protect the consumers, let us give them a chance to be heard, to be accepted within the board, so that they can give their opinion and better protect their fellow consumers, often those who are the most exploited.

[*English*]

Mr. Cyril Symes (Sault Ste. Marie): Madam Speaker, we have before us Bill C-73, the so-called Liberal anti-inflation bill or the so-called wage and price control bill which, in the opinion of the New Democratic Party, is one of the most insidious pieces of legislation we have seen before this House in some time. It illustrates very well that Liberal members are without principle because it was only a few months ago that those same members, many of whom owe their election to that fact, argued very strongly against wage and price controls as put forward by the Conservative Party.

● (2020)

In the election last July the New Democratic Party opposed the wage and price freeze proposal of the Conservatives just as we now oppose the wage and price controls put forward by this Liberal government. This bill is unfair and unworkable; it is based on the wrong premise, and does not deserve the support of the people of Canada.

I should like to go into the reasons why we are opposing the bill. I would be interested to hear any Liberal member stand in his place and give the rationale why he opposed wage and price controls in 1974 and is now supporting his government in bringing them forward.

Since the Prime Minister (Mr. Trudeau) took office in 1968 we have had a series of bouts with inflation, and mismanagement of the economy. The position has worsened since he and his government were returned in successive elections.

Between September, 1972, and September, 1975, the consumer price index rose by 33 per cent. In 1974 alone the consumer price index increased by 12.4 per cent. The dollar today is worth only 72 cents compared to five years ago. In response to that kind of inflation and mismanagement of the economy we have before us a so-called wage and price control program. I say this program is based on the wrong premise as to what causes inflation. We hear a lot about the rate of inflation but not very much about the causes. I should like to look at some of the chief causes and then examine this program to see whether it will be effective in countering inflation.

One of the factors that most economists will admit contributes to inflation is the changing role of large corporations in our capitalist or so-called free enterprise economy. Today we see large corporations amassing more and more power to the point that they are becoming near monopolies or oligopolies, that is, a few large corporations driving out their competitors and cornering the market.

[Mr. Lambert (Bellechasse).]

Because they corner the market they are able to change the balance between supply and demand in their favour and are able to manipulate prices.

In the past competition or over-supply tended to reduce prices in favour of the consumer. But today what is the real difference in price between a Ford or General Motors car, or a Westinghouse refrigerator and a General Electric refrigerator? We begin to see that the large corporations are able to maintain prices to their advantage, and this happens with steel, automobiles, appliances, and to a large extent with the food retailing and manufacturing industries.

This is such a problem that even the Prime Minister and his free enterprise colleagues were forced to name a royal commission a few months ago to look into the problem of monopoly control of our economy. It is to be hoped that the royal commission will produce some constructive recommendations for controlling the monopoly power of big business. That is one cause—the ability of large corporations to manipulate and control prices, to maintain them artificially high in our economy.

The second cause of inflation is certainly government spending. We have had a number of record deficits under the Liberal government. We have seen millions of dollars, literally hundreds of millions, go to business in the form of tax incentives in the hope of creating jobs. What really happens is that the corporations automate and so do not create jobs. I am always intrigued by my friends in the Conservative Party who say “limit government spending” but who do not mention the amount of money that goes to big business without positive effects.

Then there is the expansion of money supply and credit. These are policies of this government which have contributed to inflation. It has got to the point where government spending results in 38 cents of every dollar of our gross national product being passed through government hands. A lot of this is legitimate and necessary, and I would not want to cut it back—I am thinking of old age pensions, family allowances and other schemes to help people on low incomes. At the same time we see government waste left and right, with hundreds of thousands of dollars spent on opening an airport at Mirabel, or on departmental functions such as Information Canada. There are tax concessions and handouts to corporations, and even deferred taxes amounting to some five billion dollars. Government spending is the second cause of inflation.

The third cause is the government's expansion of the money supply through our central bank, as well as an expansion of credit. This expansion has been in excess of the growth of production and, as a result, has contributed to the inflationary spiral.

One thing which the Liberals were offering as a cause for inflation in the 1974 election campaign was the cost of imported goods, but we do not hear so much about that today. In 1974 the claim was—and it is true today—that we cannot control the cost of food and other articles that have to be imported. The cost of bananas or coffee is beyond our control.

We have had to pay very high prices for energy. Because of the lack of a national energy policy the eastern part of Canada has had to import very expensive oil from the