

income stops at the gate of the Liberals and Conservatives, who are much more concerned with serving their corporate friends than with serving these people.

Some hon. Members: Hear, hear!

Mr. Lewis: Of course, Mr. Speaker, I was glad to see the increase in the old age pension to \$100 a month, but I say to the Minister of National Health and Welfare (Mr. Lalonde) and to the Minister of Finance that if they are concerned, as I know they are, about the condition of the old age pensioner, particularly in an era of rising prices and particularly when those rises are centered in food and shelter, then the way to deal with that is not to boast about an increase of only \$13 and some odd cents above what the old age pension would have been, but to increase it much more, as could have been done, because the economy of Canada can well support it.

We supported the budget because it did have some income tax cuts on a very progressive basis for individual taxpayers, and we were glad to see that, but again I say that if we are concerned about the low income people one way to help is to increase their disposable income. There, I agree with the Minister of Finance. I merely disagree with him because the steps which are taken by governments, steps to increase this disposable income, are always puny steps, mincing steps, instead of adequate and humane steps to solve the problem.

Mr. Turner (Ottawa-Carleton): They help to solve the problem.

Mr. Lewis: Sure, they do. If you increase the income of the low income groups, then of course you increase the demand for goods and services and so, at the same time, you have to increase supply.

Mr. Turner (Ottawa-Carleton): You have to have both.

Mr. Lewis: Right. The point I am making is that instead of attempting an impossible and unfair system of price and wage controls, and it really is wages, not incomes, let us deal with the low income people in a way in which they can be dealt with justly and fairly and without harm to the economy.

I reject the idea of a freeze, not only because it is undefined but because it is a meaningless thing. I am not going to accuse the hon. member for Don Valley, as the minister did, that all he was suggesting was a freeze. I listened to the hon. member. I appreciate that what he said was, "Let us have a temporary freeze during which we will work out some policy of controls." I was interested when he said there was no reason why we could not have a system of controls that will work. He said we only need the will, the initiative and the leadership—all the things his party has not got, Mr. Speaker!

Some hon. Members: Hear, hear!

Mr. Lewis: He said we only need these things to have a control system that will work. I must admit, Mr. Speaker, that I listened anxiously to him as I sipped a cup of coffee behind the curtain, to hear exactly what that price control system, what that income control system would be; where it would go, how long it would last, what the constitution-

Increased Cost of Living

al problems are with the provinces, how those constitutional problems may be overcome, how long it will take to implement, what kind of bureaucracy will be required to enforce it. Will it apply to farmers, will it apply to wage earners, will it apply to wage increases that are already provided for in collective agreements, because there are such? What are the details of it, and indeed what are the broad outlines of it? And, Mr. Speaker, nary a single word on that from this ex-professor of economics who spoke so eloquently in other ways.

Some hon. Members: Hear, hear!

Mr. Lewis: The reason there was not a single word is not because the hon. gentleman is not intelligent and doesn't know economics. He is both; he is intelligent and knows economics, and because he knows economics he knows darn well there is no system of controls that has worked in the United States or Britain, or in any other part of the western world, or indeed even in the communist countries where, with all the totalitarian controls they have, they have not been able to do the kind of thing that the hon. member for Don Valley suggests is possible in Canada.

It is significant to note that when the Conservative party first started talking about this they talked about price and wage controls. They never talked about anything else but price and wage controls. Then, the hon. member for Don Valley joined their ranks. He is a much more tactful person, a little more sophisticated and thoughtful person. He saw it was unjust to control only wages, so he said, "Let us stop talking about price and wage control, and let us start talking about price and incomes control." Well, let me tell him, Mr. Speaker, that this is the kind of talk that the President of the United States engaged in, this great President of the United States whom the hon. member for Don Valley wants us to follow, not so far as Watergate, but up to the fence, Mr. Speaker.

Mr. Turner (Ottawa-Carleton): They have reached their watershed.

Mr. Lewis: Let me inform the hon. member for Don Valley that if you compare the second quarter of 1971, the last full quarter before the Nixon economics were imposed, before the controls were imposed, with the fourth quarter of 1972, the latest full quarter on which I have information, we find that in the United States corporate profits before taxes increased 20.6 per cent, and corporate profits after taxes increased 25.1 per cent. It is true that dividends only increased 5.1 per cent, but undistributed profit increased 50.5 per cent. The profits were undistributed. The large corporations held in their coffers half as much again as the undistributed profits they had before the controls were imposed. Of what value is that to the people of the United States?

Remember there was an increase of 20.6 per cent for profits before taxes and 25.1 per cent for profits after taxes, but average straight time hourly earnings in manufacturing increased only 8.7 per cent on a seasonally adjusted basis. I would point out that the other figures I have given are also on a seasonally adjusted basis.

The reason I feel this talk about incomes control does not apply really to incomes can be put in the question: