

*Anti-Inflation Act*

have to enjoy a certain quality of life, and this indicates the problem the government is facing in controlling these multinational companies.

I usually analyse the shortcomings of a bill before giving the New Democratic Party remedies to the problem, but this time I will reverse the order and give the remedies of my party to the problems of inflation, recession and unemployment. I will capsulize them for reasons of time, and I hope for the persuasion of hon. members. The first remedy of the New Democratic Party would be to impose selective action to stop unnecessary price increases. The first prices all of us can think of would be oil and gas. We would pass legislation rescinding the 10-cent excise tax on gasoline. With regard to the oil and gas industry, the zooming profits of recent years should be brought to the attention of hon. members. With regard to Imperial Oil, Gulf Canada and Shell Canada, there are figures available on their profits and their percentage of return.

In the years 1970 to 1974, Imperial Oil had a net income increase of 176 per cent and a rate of return of 22 per cent. Gulf Canada had an increase of net income, in the years 1970 to 1974, of 313 per cent and a rate of return up to 20 per cent. Shell Canada had an increase of net income from 1970 to 1974 of 178 per cent and a rate of return of 16 per cent. These figures indicate the necessity of controlling oil and gas companies across the country. Their profits are unconscionable and the government has done little or nothing to stem that tide. I might say that this bill will do little or nothing to control the rate of return of oil and gas companies.

This pattern applies across the board and includes financial institutions and the large corporations which operate in Canada. Recent figures for banks have shown very sharp increases in profits in the past few years. The same is true for large corporations. Therefore, to combat this problem we would set up a prices control board with power to investigate and roll back increases which are not justified.

The second approach would be this. We would make sure that the impact of inflation on those who suffer the most from its effects would be cushioned. I am speaking of people on low incomes and fixed incomes. We would increase old age pensions and veterans allowances so that the recipients could meet some of the high costs they are experiencing today. It is not sufficient to say that a cost of living increase is part of their pension. What is necessary is a pension which is adequate to meet the demands of the day.

The federal government should give leadership by amending the Minimum Wages Act. This would benefit people on low incomes in that they would have sufficient money to provide necessities for their families. Over and above that, there are people who have personal hardships. We must devise programs which will meet these personal hardships. With the extra money they would have, we could increase the demand for goods and services, which would have the effect of helping the unemployment problem and also the problem of production.

Our third method of solving the problems of inflation, recession and unemployment, would be to have a massive housing program. I am looking forward to the programs the Minister of State for Urban Affairs (Mr. Danson) now

[Mr. Gilbert.]

has on the drawing board. I hope he will bring them forward very soon. The programs he has brought forth have had a little effect but not a substantial effect on this problem. In the final analysis I think the federal government has to give the initiative and leadership to parliament to control housing and earnings across the country. We have suggested that the government should increase its allotment of money for land assembly and direct construction and, more directly, with regard to the control of mortgage rates.

● (1500)

Neither in Bill C-73 nor more especially in the white paper has the government taken the real initiative with regard to controlling interest rates. It has stated that it will let them fluctuate because of the international demands for money.

I hope that I can persuade the Minister of Finance that there are three types of interest. There are consumer loans which have a particular rate of interest, business loans which have a particular rate of interest, and mortgage loans which have a particular rate of interest, and they are all different. There is no reason why the government cannot direct the financial institutions to set aside a certain allocation of their investment moneys for housing at a particular, low interest rate. This is a social responsibility and it is up to the government to direct the financial institutions to take this action.

We have said that the interest rate should be fixed at 6 per cent. Of course 6 per cent would operate to the detriment of the profit and loss statement of the banks, but it is absolutely necessary if we are to combat the high cost of housing and high rents that prevail. There is a certain persuasion in the suggestion of the members of the Conservative party that an income tax allowance be made concerning the high interest rate after a maximum of 8 per cent, but in the ultimate analysis if we are going to talk about a reduction in the cost of housing we have to strike the main components, land and interest. Interest is the most flagrant abuse of the profit power. Therefore I think the government has to take the initiative. I am rather disappointed that the white paper did not spell out the necessity of controlling interest rates at a moderate figure.

Those are the three main approaches that the New Democratic Party would take on these vital problems, Madam Speaker. My colleagues have done an excellent job of analysing the shortcomings of Bill C-73. I would only remind the House that the Liberal response to inflation was set forth by the Minister of Finance, who said that we must distribute the burden equally across Canada. This is an attempt to perpetrate a cruel hoax on Canadians. The minister knows that the weight falls heavily on people with low incomes.

When I was younger I remember reading the works of George Bernard Shaw. He said there is one thing about rich people, they will do anything except get off the backs of the poor. I think it is the same today—they will do anything except get off the backs or out of the pockets of the ordinary working people.

The philosophy of the minister's approach is wrong. He comes from the riding adjacent to mine so we have many things in common. There are working people, and people