

The Minister of Finance talks of supply policies. None of the things he mentioned in his speech were supply policies; they were income supplement policies, and I applaud them. But if we in this House think that we are going to come to grips with economic management through that sort of approach, then the Canadian people are going to have a terrible shock.

Mr. Turner (Ottawa-Carleton): Mr. Speaker, would the hon. gentleman entertain a question?

Mr. Gillies: Yes, Mr. Speaker, reluctantly.

Mr. Turner (Ottawa-Carleton): I listened to the hon. gentleman's speeches both today and last Monday and his theme that there has to be a better way. I listened to his general criticisms of fiscal policy, monetary policy and exchange policy. Next time, would he put on the record in a positive fashion what his and his party's policies are with respect to fiscal, monetary and exchange policy?

Mr. Gillies: Mr. Speaker, if the hon. member's question is that he is asking for the advice of our party on how to better run the country, then I think we are quite willing to give it to him, and when the opportunity arises I will tell him more about it. But I should like to say that I have never felt that people who really do not believe in innovation and change can run such policies properly. I think a better solution is to go to the people of Canada so that we may form a new government.

Mr. Ed Nelson (Burnaby-Seymour): Mr. Speaker, I listened with great interest to the admission of defeat made by the Minister of Finance (Mr. Turner) when he described the measures that his government is taking to combat inflation in the face of this morning's headlines which indicate that those measures have obviously failed. I can accept to some extent his premise that inflation is due to world trends, shortages and supply problems with the money market, without accepting the inevitability of such forces any more than the hon. member for Don Valley (Mr. Gillies) in his obviously sincere comments was willing to accept the inevitability of those forces. After all, an economy is a man-made thing, and to accept the premise that we are in the grip of forces beyond our control seems to me to be nonsense. There are from within the borders of this country restraints that can be placed on the flow of money, restraints that can be placed on exports and imports, production can be increased, and the like.

In the minister's machine gun-like delivery the word "profiteering" early in his speech ricocheted off my ears. But the minister completely omitted this factor even as a spent bullet in the summary of his speech. In Canada we have a special problem. Certainly the forces alluded to in previous speeches are a factor, but we also have the factor of profiteering and profit taking and I should like to draw a distinction between those two terms.

Profiteering connotes the cynical profit-taking of businessmen who take advantage of inflation as a cover through which they charge all that the traffic will bear. We saw an example of this recently in Vancouver where prices were changed several times on articles. Were these store owners prosecuted? Were their licences to operate lifted? Were the customers ever repaid? No. Yet they were

Cost of Living

robbing the people of Canada as surely as the bandit who escapes from a store carrying a loaf of bread. A lady who stole a loaf of bread in Vancouver several years ago was jailed for one year. The judge told her that she need not have stolen a loaf of bread, that she could have got something from the garbage tin. I do not know how one draws a distinction between the two types of banditry.

I am not saying all businessmen are dishonest, heaven forbid. It is the hallmark of a laissez-faire economy that free enterprise connotes freedom to charge what the traffic will bear. The philosophy is summed up by the saying that honesty is the best policy, but business is business.

Where do abuses occur? According to the parade of witnesses who appeared before the trends in food prices committee, abuses occurred everywhere but in the witnesses' own areas of profit-taking. Witness after witness produced carefully documented briefs to show that their industry was not responsible. The poor food prices committee members, limited to about 12 minutes for cross-examination and questioning, could not break down the expert testimony of witnesses backed up by impeccable briefs to show their purity; and that is no reflection upon the members of the committee because certainly they were sincere in their efforts.

The result was—and I was on the fringes of the committee for some time—that we discovered that advertising did not ultimately add to the price of food but actually decreased it. I am not sure how that works; one would think that costs would increase in such a situation, but figures supported the idea and figures do not lie. Or do they? Even more enlightening was the brief of the Packaging Association of Canada. Here again we would all save money by using more packaging. But wait a minute. There was an article last March in the trade journal of the Packaging Association in which members of that association were warned in advance what would happen to them if they indulged in unrestricted profit-taking. I quote from that article:

We believe, after reviewing the transcripts of the hearings and talking to some committee members, that the food industry in Canada will slowly by degrees be declared in the public interest.

Here is another quote:

Further, we feel that eventually restraints on ROI—

Return on investment.

—will be placed, perhaps in the 30 per cent range, as the food industry is eventually declared to be in the public interest.

Further—

The Acting Speaker (Mr. Laniel): Order, please. I regret I must interrupt the hon. member. It being six o'clock, I do now leave the chair till eight o'clock tonight.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Mr. Reid: Mr. Speaker, before six o'clock there were discussions among the House leaders as to what might be