

*Price Control*

There are many dangers in the approach suggested by the Official Opposition. I think the approach they are suggesting is, in general, more dangerous than the one taken so far by the government. That is why we must look at the position we are considering now, which is one of selective controls and roll backs where we find unwaranted profiteering or gouging or where we find there is no necessity for price increases. We can do this in many areas in which we have control in this country, such as lumber, steel, iron, copper, energy, hydro power, agricultural goods, and so on, especially if we combine this with a program of subsidies in certain areas.

As I have said, this is by no means a very simple problem, because if you control some of the commodities in a free enterprise system you will be driving the investment dollar out of the country. Let us look at nickel production. If you put price controls on nickel, the nickel producers will say, "To 'h...' with you. We are going to invest our money in another country." If we are to follow the type of program this party is suggesting, it might mean greater public ownership in many areas, particularly in respect of natural gas, oil, nickel, copper, iron ore, steel, and so on. I think that is a necessary part of any policy that is really designed to fight inflation and hold down prices. If you do not do that, the private investment dollar will go elsewhere because of the strength of the multinational corporations. These are some of the things we must take into consideration when we are discussing the rate of inflation in this country.

I now want to suggest two or three reasons why inflation is so high in the world. As we all know, we import some inflation from abroad. I think the first reason is that many of the underdeveloped countries are becoming wealthier and more able to afford some of our commodities. This, as a result, creates shortages and drives up the price of some essential commodities. As a result, particularly of the Japanese market but also of the European Common Market and others, the U.S. dollar has dropped and our dollar, which is presently floating with it, has dropped as well. This is making imports into Canada more expensive than they were two or three years ago. Certainly there is some inflation coming from abroad because we are a large trading nation.

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The second reason there is such high inflation in the world, I suggest, is that the traditional western capitalist system is being challenged all around us. The hon. member for Don Valley alluded to this and said that the old standards of reality no longer exist. We see evidence of this no matter where we look. Inflation is now a phenomenon which is spreading throughout the western world. We see problems in respect of the monetary system, balance of trade and many other things right across the western world. There are not very many solutions for this type of price increase and inflation.

There are two or three things we could do as a country, but I suggest they are probably limited. First, we could enter into an international agreement regarding basic commodities in the world. We could set prices, and we could subsidize some of the basic commodities we import which are important to the average citizen. We could perhaps take action against some of the huge multination-

[Mr. Nystrom.]

al corporations which are responsible for importing some of these commodities. Here I look, for example, at the sugar industry. We might be prosecuting some of the large sugar companies which I suspect are getting together and arriving at prices which are artificial and far too high at the present time.

These are some of the things we can do about external factors which increase the cost of living in this country. But as I have said, if we did that probably we still would not do much about the inflation rate in general because we must look at our own country and do what we can internally. I think we can do a certain amount because we produce much of the basic commodities we need. We are not like Japan, the United Kingdom or many other countries in the world which depend on the importation of energy and many of their raw materials and food products.

In Canada we produce basic commodities and therefore have some say about the price they are sold at. We must do this on a selective basis, otherwise we will run into all kinds of problems because every commodity is different. The food industry is different to any other. If we placed controls on the price of our food at the top, this would be passed on to the farmers at the bottom. There would be a freeze on what they get at the farm gate. They would hold off on production and would be driven out of business. This is happening in the United States and in many parts of the world where an attempt has been made to place controls on basic food items. If you tinker around with food, then you have to bring in subsidies in respect of items such as milk and bread.

If you want to do something basic about food prices, you must look at the whole food industry, the wholesaler, the retailer, the packing house, the transportation system and all levels of the food industry. Perhaps there is something that can be done to prohibit excessive profiteering, double-ticketing, and so on, in respect of food at the various levels. I think this could be done in the beef industry where the price to the consumer is up and the price to the producer is down. We could have a tough prices review board or a government agency which could investigate and roll back prices on a selective basis especially where there is evidence of gouging of the Canadian public. This is not being done. This is the policy which our party thinks should be followed and one which we think is quite reasonable and would be successful if it were pursued in respect of commodities which are important to our people.

We have mentioned profits in this debate. One way to control profits is by selective control of prices of commodities such as nickel and copper—in respect of which there was an announcement yesterday of another price increase—and pulp and paper. Perhaps there could be a general approach to many other commodities as well. We could also implement an excess profits tax that would take off the top all the excess profits which are considered unjust and should not be perpetrated on the people of this country. We could tax wealth, which I am sure would dissuade some corporations and some people who have money from speculating in land, in the stock market, in housing, in apartment buildings, and so on.

If we had a tax on wealth, which is what the Labour government is now looking at in Great Britain, I am sure it would cool down some of the inflationary psychology