

It is interesting to note that on page 18 of the white paper there is a discrepancy between the way workers are treated and the way manufacturers are treated. The process is outlined thus:

If, however, a firm can demonstrate to the Anti-Inflation Board that it would be impractical or harmful to the national interest for it to price in the domestic market differently than the international market, the firm will not be regarded as having failed to follow the guidelines if it prices all its products at international prices, but would be subject to the special levy on all its profits. Once firms have received permission to be treated in a particular way, they will continue to be treated that way for the whole of the program.

So here we are going to have manufacturers and producers going to the Anti-Inflation Board and asking, "Will you approve this price increase, this pricing system?". In effect it has been the practice in Canada that when such tribunals give such advice to corporations which come before them they advise them in the letter of the law rather than the spirit of the law.

However, the union cannot go to the Anti-Inflation Board and ask to be advised whether its demand, which is in line with that of the international union in the United States, such as would be the case with the UAW, will be all right in the domestic market when dealing with the company. Surely the Anti-Inflation Board will say it cannot deal with a hypothetical situation in a unilateral way, and will advise them to make a representation with the company so that both of them come together before the board for approval. There is a discrepancy here, and an injustice in the way in which workers are treated as opposed to the treatment of those who manufacture products for sale.

The companies will have a great deal else to be happy about. Even the Minister of Finance admitted that it was arguable that "there is no way of preventing an army of company accountants circumventing the guidelines by padding costs and manipulating profits". His argument, however, was that the NDP had wanted a board which would also watch and possibly roll back some of the oligopoly prices. It is the government's legislation which is under debate, not this party's. There is a large difference between a board proposed by the NDP and the one proposed under this legislation. The difference is one of attitude at least, and in a will to use the legislation it handles.

It is impossible to believe that the odd couple now running the Anti-Inflation Board are serious about controlling company profits.

Who is this chap, Jean-Luc Pepin? He is the scion of some of the greatest corporations in Canada, namely, the Power Corporation, Canada Celanese, Canadian Steamship, Sidbec Corporation, etc. It is he who will decide what is an acceptable wage for the working class people, this man who is on the board of directors of several large corporations, and earns a salary of \$50,000 to \$60,000 a year. He will say to the workers making \$4.10 an hour and who want \$1.50 more, "You are too greedy, tighten your belt." I tell you, it is quite a pair you have there. This man's experiences are such that he represents the privileged class in this country, and this is the kind of discrepancy at which the working people will be looking. They will be saying, "Who is this fellow making \$60,000 a year and telling us that \$5 an hour is greedy?" All I can say is that this government has a lot of gall.

### *Anti-Inflation Act*

And who is Beryl Plumptre? She has made it clear where her sympathies lie. One of the members of my party made the point the other day that when it came to reasons for food cost increases Plumptre could see only two things—producers and marketing boards. He was right as far as he went, but he forgot that she can also see labour and blame them, as she did recently during a grocery clerks' strike in British Columbia.

When she looked at corporate profits, in spite of the fact that some industries had increased their profits dramatically, she concluded that because other companies had increased their profits dramatically also, this was all right.

When it came to marketing boards, she was even worse. When chicken producers increased their return by 3 cents a pound, she howled, in spite of the fact that their percentage of the retail price had declined and despite the fact that the price of chicken had risen by 20 cents. Where did the other 17 cents go, and why was she not concerned about that?

Even the Minister of Agriculture (Mr. Whelan) noticed that she was visibly upset by every gain to producers through marketing boards, yet when pork, which is not controlled, increased in price by 100 per cent, she made no comment; suddenly she was silent.

The Minister of Finance has told us repeatedly that profits can be controlled anyway because "for a long time we've had an effective income tax system to catch profits". If that is the case, then for a long time my party has been arguing that we need a new catcher. Every week papers such as the *Financial Post* publish a new loophole in which profits can be hidden, not to mention the obvious loophole which the government has deliberately created. This bill says nothing about capital gains, and surely this is one way in which companies, by retaining earnings and driving up stock values, will be able to return money to their investors.

Company profits will rise under this bill. First, as has already been pointed out, because profit levels are based on the previous five years, profits will rise over the next two years as the five year base moves. Second, productivity is bound to rise in this country as a natural recovery occurs in the world economy. Government policies of the last few years have ensured that the capacity of the manufacturing industry was underutilized. So, if natural improvements in the world economy take place and the present excess capacity begins to be used, it will be impossible for the corporations not to make large gains in productivity, and with them large gains in profit. These controls admit quite openly that large gains in productivity "resulting from the efforts of the firm, or of favourable cost developments which could not reasonably have been anticipated" will be allowed to the firm. Working people, on the other hand, have been strictly limited to a 2 per cent share in the increased productivity. I presume that this is more rough justice.

● (2040)

I noted before that when it comes to concentrated industries and their inflationary profits, the Economic Council of Canada has made clear that many of these firms were foreign dominated. They will have no difficulty dreaming up new expenses for their Canadian subsidiaries to pass