

Price Stability

government. We believe the chairman has forfeited the right to be considered as an objective and honest person dealing with this country's grave social and economic problems. We believe that the present activities of the commission have no effect on inflation. The government is using the commission to do and say things which the government does not have the courage to do. The commission is calling for restraint mainly, if not exclusively, on wages and not on other sources of income such as salaries, rents and dividends. We believe the results of the commission's conference on price stability with business and industry was a complete fraud. The minister talked glowingly about the results achieved there.

I suggest that the commitment which the minister received from the captains of industry to keep prices below increased costs was so conditional as to be almost totally ineffective. Let us look at some of the results before and since the commission held that conference. In my question to the minister earlier I referred to what happened to the price of copper. Since January 1, 1969, the price of copper to Canadian users has increased by 30 per cent. Copper is used in the production of almost every commodity in Canadian industry. For the government to be proud of what they have done in controlling the price of copper would be ludicrous if it were not so serious.

I wish to now deal with the price of nickel, which increased last year by over 25 per cent. What happened when that price increase was announced? The United Steel workers of America, which represents nearly all, if not all, the workers engaged in the production of nickel, called on the Prices and Incomes Commission to hold public hearings. Their call was rejected and ignored. I wish to put on record exactly what happened. I read from the December, 1969, issue of *Steel Labor*, the official publication of the United Steel workers of America:

Ottawa's Prices and Incomes Commission are continuing their semi-private "investigation" into steel price increases and wage boosts but have caved in completely in the face of International Nickel's colossal 25 per cent price boost.

After visiting Canada's steel companies "privately," the Prices and Incomes Commission summoned Steelworkers' representatives to a meeting in Ottawa on Thursday, November 13. Accompanied by CLC secretary Dodge and research director Russ Bell the Steelworkers' group composed of national director Mahoney, research director Milling and research assistant Norton, refused to meet unless the discussions were taken down in detail by a court reporter.

[Mr. Orlikow.]

• (4:30 p.m.)

The minister will gather that they have already had so much experience with the Prices and Incomes Commission that they are not willing to proceed unless there is a court reporter present to make sure they would be reported honestly.

The steelworkers have agreed to supply—on condition that the information be made public—details about productivity and labour cost improvements. Copies of the data are being supplied to the steel companies. No similar data is being supplied by the companies to the union and no details of discussions with the steel industry have been made public.

The real cave-in on the part of the federal Liberal administration came when super-corporation INCO, after charging that the recent wage settlement was "inflationary" refused to join in a union request for an investigation into wages and prices and then announced a massive 25 per cent price hike. Ottawa, asked by district director Sefton to investigate the situation, backed off in a rush.

Rough estimates indicate that the cost of the recent settlement would be less than (Canadian) \$86,000,000.

This was more than offset by the increase of 9 cents per pound announced by INCO prior to 1969 bargaining. Combined with the latest increase, the two price boosts should produce extra INCO revenues valued at more than \$700,000,000 (Canadian dollars) during the contract period, enough interest free dollars to finance most of the corporation's projected international expansion program for the same period.

You see, Mr. Speaker, a wage increase of \$86 million brings about a price increase which will bring the company \$700 million. What does the government do about it? What does the Prices and Incomes Commission do about it? Nothing at all. Is it any wonder that the labour movement is unhappy? Is it any wonder that the labour movement rejects the appeals of the Prices and Incomes Commission?

We have heard about the banks. The banks agreed at the conference not to increase their rates of interest. The interest rate on bank loans has never been as high as it is today. Let me put on record the situation of the banks. I quote from the *Globe and Mail* of February 25, 1970:

Aggregate profit—after taxes and appropriations for losses—of the seven largest chartered banks in the year ended October 31, 1969, was more than \$157 million. This was a 26.5 per cent increase from the previous year, which was 13 per cent higher than the fiscal 1967 level.

This is an increase of 40 per cent in two years. Is it any wonder that the banks should have agreed very quickly to hold the line? Why shouldn't they? They have already robbed the Canadian people blind. I could go