

*Ways and Means*

In this regard I would like to quote from a report issued by the B.C. federation of labour entitled "Conspiracy against the consumer: The difference between right and wrong!" This is a report on the investigation by Senator Estes Kefauver, chairman of the United States senate subcommittee investigating price rigging in the steel and drug industries:

The following tables showing profits in the steel industry in recent years is very revealing.

Net income (after taxes) per ton of steel products shipped; 1952, \$6.80; 1953, \$8.85; 1954, \$9.15; 1955, \$14.51; 1956, \$14.56; 1957, \$17.91.

At least the United States now has a president who was able to call a halt to this continuing exploitation of both labour and consumer. Our government has yet to arrive at that concept and do at least as well. All of us remember reading in the newspapers some months ago that leading industrialists across the line were put into jail. I wish to remind you, Mr. Chairman, that our Prime Minister when in the opposition ranks used to call for amendments to our Combines Investigation Act which would demand that officials of companies who were found guilty of violating the spirit of the Combines Investigation Act should be sentenced to a jail term, which should be mandatory and not optional.

All of us were happy to read last fall that officials of the General Electric Company and others were put into prison in the United States of America because they had been found guilty of price fixing. Yet what do we find in Canada? I read again from the publication put out by the B.C. federation of labour, page 7:

In recent years over 150 companies in Canada have been fined under the combines act for engaging in price fixing.

A few of the major examples of price fixing in the last ten years include the following:

1951—Canadian Bakeries, McGavin's, Weston's, and their subsidiaries found guilty of price fixing on a grand scale.

1951—Eddy match company and five lesser firms found guilty of price fixing and restraint of trade.

1953—Northern Electric, Canadian General Electric, and seven other firms found to be price fixing.

1954—10 companies in Vancouver convicted of a conspiracy to prevent competition in the supply of coarse paper.

1954—30 gasoline retailers in Vancouver convicted of price fixing (later appeal allowed on a technicality)

1959—12 supermarket chains in the United States, including such giants as Safeway stores, indicted by a federal grand jury for price fixing.

1960—19 of North America's largest electrical equipment manufacturers pleaded guilty to price fixing and bid rigging, involving annual sales of \$2 billion a year. All told there were 72 guilty pleas, and 88 pleas of no defence.

I should like to think that even a Tory government in Canada would have as much interest in the welfare of the consumers of

Canada and in the economic health of our community as the democratic party of the United States under the leadership of President Kennedy, and that it would be as brave as his administration has recently proved itself to be.

The budget presented to this house is a poor housekeeping budget. The minister is predicting a 7 per cent increase in the gross national product. Assuming the minister to be right in this prediction, how, then, does he forecast a deficit of \$800 million? These two factors simply do not add up. If we are going to get a 7 per cent increase in the gross national product there ought to be no possible excuse for a deficit, yet the minister announces that he expects a deficit of a size almost unprecedented in Canadian history.

The minister calls this an expansionist budget but he offers no evidence to support this contention. He has been found so wrong on so many occasions in the past that in the absence of any evidence that this is an expansionist budget I am afraid we have to ascribe this label as mere wishful thinking on the part of the minister.

There is no hope expressed in the budget that continuing heavy unemployment will not remain with us for many years to come. Our unemployment insurance fund has been almost exhausted. I should like to remind you, Mr. Chairman, that some years ago I predicted in this house that in the event of a severe economic recession hitting the Canadian economy this fund, which then stood at \$900 million, would begin to disappear and would completely disappear within a short time. At that time the house hooted and howled me down. My statement was labeled as nonsensical and irresponsible, yet the government today has to admit that the unemployment insurance fund is not geared, and never was geared, to handle a situation in which the economy is on the decline.

The investment record, or investment intentions, give the lie to the prediction of the minister that there is to be a 7 per cent increase in the gross national product. I should like to read from a publication issued by the Department of Trade and Commerce and entitled *Private and Public Investment Outlook in Canada, 1962*. I notice that in terms of current dollars, in 1957 private and public investment in Canada totalled \$8,717,000 while the expectation for 1962 amounts to only \$8,596,000, in other words, a decline. Capital expenditure as a percentage of the gross national product which, for 1957, is listed as 27.3, appears as 23.3 for 1960. There is nothing in the investment predictions contained in this report to indicate that the minister has any reason for predicting a 7 per cent increase in the gross national