The basis of this fear is easily identifiable. In half the country we face potential petroleum shortages and higher prices in spite of the fact that we have Canadian reserves sufficient to meet all our needs from coast to coast. We are told that food prices must continue to rise because of shortages, in spite of the fact we have one of the most productive and comprehensive agricultural industries in the world. We have a host of supply operations which plague the home building industry, despite the fact that the timber and raw material reserves in Canada are the envy of the world. In short, the incomprehensible contradictions that spell economic hardship for too many, and constant juggling of family budgets for almost all, have raised the spectre of a system almost completely out of control.

The individual family knows that its income can no longer keep pace. Today, as members of this House know, Statistics Canada research reported that in the last half of 1973 wages and salaries fell behind the rise in the cost of living by a full percentage point. Yet at the same time the same family has watched in awe the parade of profits strutting shamelessly across the financial pages of our newspapers. Even the hard-boiled editors of these newspapers admit that these increases in profits are embarrassing. The level of increase in corporate profits is almost unbelievable. I cannot accompany their parade with 76 trombones, but each one of the figures demands, "Hey, look me over".

The Prime Minister said, not once but several times during his speech, that his government would not permit profiteering and gouging of the people. I hope he is right. I hope his words are not merely said for their effect on the House and on the people of Canada, but that they reflect a determination that will result in legislation and action in this parliament and during this session.

Some hon. Members: Hear, hear!

Mr. Lewis: Increases in profits have already been unbelievable and unjustifiable. Let us look at a few of them. In the resource industries we find that the increase in profits in 1973 over 1972, by Falconbridge Nickel Mines, was 770 per cent; International Nickel, 107 per cent; Abitibi Paper Company, 260 per cent; Gulf Oil, 58 per cent. This is not limited only to the mining and petroleum industries. In the food processing and retailing industries, an area which hurts the Canadian family most directly, we find that George Weston enjoyed an increase in profits in 1973 over 1972 of 86 per cent, with an increase in revenue of about one-quarter or one-fifth of that percentage; M. Loeb had an increase of 73 per cent for a 40-week period; Canada Packers had an increase of 36 per cent for a 39-week period, and Schneider's showed an increase of 45 per cent during a similar period in 1973 over 1972.

Looking at real estate—I am going to give only one example—Cadillac Development Corporation showed an increase in profits of 59 per cent in nine months. Keep that in mind when I get to the subject of housing. Our "poor" banks that were at last permitted to use their money for mortgages in housing did not show an increase of 700 per cent in profits in 1973 over 1972, but Toronto-Dominion had an increase in profits of 25 per cent, and during the five years from 1966 to 1971 showed an increase in profits—I give this from memory—of around 85 per cent, while the Banque Canadienne Nationale showed a 52 per cent increase in 1973 over 1972. I could go on for some time giving many figures just as startling and just as damning.

I am not suggesting that high corporate profits are the only cause of rising prices, but I do say they expose unjustifiable gouging of the Canadian consumer. I am glad to hear the Prime Minister undertake to end this unjustifiable gouging in the future. I regret that even this minority government did not have the courage to end it in the past.

● (1710)

Some hon. Members: Hear, hear!

Mr. Lewis: I do say that parliament can act to reduce the level of price increases by taxing excessive profits and by selective price controls on basic materials such as steel, lumber, nickel, lead and zinc, just as we have done in the case of oil. These enter into the production of goods which Canadians need and consume, and every large firm—most of them multinational—which mines and produces these minerals and materials from the minerals has made immense profits in the last 12 months or so, and every one of them is continuing to raise prices totally without justification and at the expense of the Canadian people.

Some hon. Members: Hear, hear!

Mr. Lewis: I want to make clear that we continue to reject the unjust and unacceptable proposal of over-all freezes and controls that the Conservatives still throw at this House and at the people of Canada. These have not worked anywhere else and they would not work in Canada. But at the same time we also reject the resignation and inaction of people who say that nothing can be done. We believe that a great deal can be done, not to eliminate inflation but to reduce the rate of the rise in the cost of living and to reduce the gouging by the corporations of the ordinary Canadian family.

Profits are a measure of what the corporate establishment takes from society directly. But Canadians are also aware that in addition to this rip-off at their expense as consumers, the corporations, many of them foreign-owned, enjoy a tax rip-off which compounds itself annually, a rip-off that costs the ordinary Canadian taxpayer hundreds of millions of dollars each year. By the end of 1973—I ask the Minister of Finance (Mr. Turner) and every member of this House to recognize what this means—the corporations, again many of them foreign-owned, held in their coffers the incredible amount of $4.7 billion in deferred taxes, most of which will never be collected by the public treasury. The Minister of Finance shakes his head. He should be ashamed of himself for suggesting that my statement is not right. He knows it is a fact that except for the small, penurious companies, the large corporations are not likely ever to pay back these deferred taxes.

At this point I should like to quote from the 1972 annual statement of Shell Oil. It said that it was not showing its deferred taxes in its accounts because it did not recognize them as a liability and did not expect ever to have to pay them.

Some hon. Members: Hear, hear!