

Affairs that I remain extremely sceptical of the alleged agreement which was reached.

● (3:30 p.m.)

I want to take a few minutes, Mr. Speaker, to deal in two or three places with that agreement. I must do so in order that we do not have any false illusions about what is likely to come. I read one of the so-called agreements, and it reads like this:

More specifically, where higher prices are needed to cover higher costs—

And listen to the following words:

—and market conditions make them feasible, business firms generally, if called upon to do so, would ensure that price increases were clearly less than the amount needed to cover the increases in costs at a normal volume of output and sales.

What does that mean, Mr. Speaker? What has business undertaken generally to do? It has said, "If I can make as much profit in 1970 as I did in 1969, if market conditions permit me, if the volume of my out-put and sales permit, if I do not suffer any reduction in my profits then by gad I am going to be generous enough not to increase my prices up to the level of the costs." What guarantee of lower prices is that? That is not a declaration of price stability; that is a declaration of profit maintenance, and nothing less than that.

Then, there is another statement, Mr. Speaker, a particularly generous and philanthropic offer from the banks, the trust companies and mortgage companies, one that only an ingrate like myself could find less than satisfactory. Just listen to the generosity of these people:

Specific commitments have already been given by the chartered banks for 1970 not to increase their existing schedule of service charges in Canada.

I hope, Mr. Speaker, that members of this House feel consoled by that fact. The banks in this country have increased their service charges to a point which is usurious, which is immoral, which has resulted in immense profits for the banks and now they say, "Boys, having gouged you sufficiently until now, you may sit there and I will not gouge you any more." That is supposed to help the people of Canada?

They have also undertaken not to increase interest rates charged on Canadian dollar loans in Canada—

Listen to this, Mr. Speaker.

—except to the extent of any corresponding percentage point increase in the rates payable on Canadian dollar personal savings deposits.

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Despite the fact that the banks have had phenomenal profits, and despite the spread between the interest rates they pay depositors and the interest rates they gouge from the public when they make loans—that spread is large enough now—they are saying, "If we have to pay a quarter or a half percent more to the depositors, despite our great concern for Canada's economy, despite our bleeding hearts for the welfare of the Canadian people, despite the fact that it is our nature to be generous and philanthropic, if we have to pay that much more to our depositors you will have to pay a quarter or a half per cent more on the loans that we make to you." That is the kind of arrangement or agreement to which everybody in Canada is supposed to answer "Yes and amen", with the conviction that it will do something for the economy of Canada in 1970.

I shall quote from two other agreements, Mr. Speaker. One made by the general merchandise sector of the retail and wholesale trades reads:

The general merchandise sector of the retail and wholesale trades in determining pricing policies during 1970 would undertake not to increase initial markups on its various merchandise categories unless realized profit per dollar of sales would fall below that of the base period—

The base period being 1969 in most cases.

What kind of undertaking is that? It says in simple language, "If we can make the same profits in 1970 as in 1969 we will not increase the initial markups, but if our volume falls, or for some other reason our profits are affected, the markups will go up." I pause to interject that when you have 6.1 per cent unemployment across the country the likelihood is that in many areas of Canada the volume of sales will in fact fall, and the wholesale and retail outlets will not have as good a year as they had a year ago. The volume of their sales will probably fall off and, therefore, their prices will go up. And all this will be in accordance with the agreement which the minister hailed as valuable.

The same kind of thing applies to the grocery sector which undertook not to increase initial markups on the same qualification, namely, that there would be the same realized profit per dollar of sales. I am sceptical of the value of this document because as far as I can read it, and I think I can read, and as far as I heard the comments from some of those who attended the conference, I am confident there is no intention on the part of the business community to do anything for the price level unless their unnecessarily high