

Anti-Inflation Act

"buts" for increasing expenses in the bill as well as in the white paper. A corporation could say: Well, the interactions or the sales within the corporation have gone up, or the fees have gone up, as Bell Telephone purchases some commodity from one of its subsidiaries or sells other commodities to a subsidiary. If corporations like IT and T or the Weston Company carry on transactions between companies, how do you police that? Again, I have heard no explanation of how such transactions will be policed. I am sure no mechanism can be devised which will accurately police that type of operation. Yet our questions remain unanswered. If a corporation is going to make larger profits, then perhaps rather than being penalized it will prefer to put them into retainer or expand its plant.

What about the question of foreign ownership? Canadians drive cars in this country which are made by companies which are foreign-owned. What kind of an arrangement do we have to police the fees which a Canadian subsidiary, say in Oshawa, is paying to its parent company in the United States for certain parts, commodities, licences, and so on? There are just so many possible loopholes and questions which no one has answered. The only people who will be able to answer these questions are those on the board which is to be established by this legislation.

Then, to top it off, in the bill there is a clause which says that companies may be exempt from the guidelines if they have unusual productivity gains. What is meant by unusual productivity gains? The 2 per cent imposed on working people? I am sure that is not what the government has in mind. They can also be exempt if cost development is greater than was anticipated. What cost development is not anticipated by a large corporation?

I also suggest—and I think this is a major point—that while the wages of workers will be going down by 2 per cent each year in terms of increases, from eight to six to four, the profits which will be allowed to corporations will be going up for the next two or three years. The reason is that corporate profits in Canada for the last three years have been high, and in the two years before that they were considerably lower. The profit guidelines are based on the last five-year average. So if you move into the next two years, the average is bound to increase and therefore the allowable profit of the corporations is also going to increase. The ceiling will be higher. But the ceiling for the working person is going to decline, instead of keeping up with prices in this country or the possibility of price increases.

Turning again to price increases, I would refer to the appointment of Mr. Pepin and Mrs. Beryl Plumptre as chairman and vice-chairman of the Anti-inflation Board. As the member for Regina-Lake Centre (Mr. Benjamin) said in the House yesterday, Mr. Pepin describes himself and his colleague as two distinguished fools. If that is their own description of themselves, I wonder what kind of job they will do. But let us look at it in a serious way. Who is Jean-Luc Pepin? What are his biases? What are the biases of these people who are going to be placed in a position of so much power and so much authority?

Mr. Pepin comes from the boardrooms of many corporations in this country and has experience with Power Corporation. When he was minister of industry, trade and commerce he was famous for handing out grants and

concessions to large corporations across this country. If you look back on the speeches he made as minister, as well as to those made by him when he was not a minister in this House, you find time and time again a defence of the corporations and the free enterprise system, the profit-motivated system, wherein one should take a large profit to keep on expanding. Certainly it is his right to have those ideas, and I do not denounce him because of it. But why should the chairmanship of this board go to someone who has a clear bias of that nature, someone who is not concerned about the person who is unemployed, the person on welfare, one who is an old age pensioner or one who may be working for a minimum wage?

Then there is Beryl Plumptre. Here I come to the little girl from Rockcliffe who is the expert for the consumers of this country. I have watched her very closely, as has the Minister of Agriculture (Mr. Whelan) during the last couple of years. What has she found in terms of excessive prices of food which is going to help the consumer? She has had two villains, that's all. She blames the farmer for increasing his prices too rapidly at the farm gate, and she blames the marketing boards for contributing to the high price of food. But what does she say about the Safeway stores and the Loblaw's stores or the Dominion stores, or the profiteering which may be done by the meat packing plants or processors or wholesalers, the transportation industry or the advertising industry? She, too, has a bias, the same bias that is held by the chairman of the board, Jean-Luc Pepin—and I say that is very unfair. Why do they not have a balance of view from people who will administer one of the most drastic laws and set of regulations that this country has seen since the second world war, with the exception of the invocation of the War Measures Act five years ago this week?

● (1500)

Another thing that weakens the bill in terms of its being fair and equitable for the consumer is that probably there will not be any real price control. The minister said today, and he is right, that there is power in the bill to force a company to notify the board before any increase in price is made. But will this power be used? The minister said he did not know to what commodities the bill would apply. Prior notification of a price increase may be required; it is not mandatory.

I suggest that if we are to have these controls the anti-inflation board must authorize any increase in prices beforehand, and that it must be a just price increase by reason of increased cost. But with this government things do not happen in this way. They say this may occur. Knowing Mrs. Plumptre and Mr. Pepin, the chances are that it will not occur. If a corporation wants to increase its prices, they are clearly biased on that side.

Let us suppose, for example, that the hon. member for Sault St. Marie (Mr. Symes) has an Aunt Fanny out in the Sault, an old age pensioner who wants to buy a can of beans for lunch. That can of beans costs her 19 cents. Then all of a sudden she finds that the price has gone up to \$1. What can she do about that? I know I am exaggerating, but this is because I want to prove my point. She can notify one of the offices of Revenue Canada, or her MP, and the matter can be taken up with the board. But there is no guarantee whatever in this legislation that the board