

Anti-Inflation Act

take a five minute walk from here and see a brand new, large and very fancy office building going up.

Mr. Rodriguez: \$35 million.

Mr. Orlikow: My colleague, the hon. member for Nickel Belt (Mr. Rodriguez), says \$35 million. Who is going to use that building? The Bank of Canada. There is not very much restraint there. I would bet that the Governor of the Bank of Canada has an office almost as large as this chamber. There is no restraint for him. One can go across the river and see the beginnings of another government complex. Let me read from an editorial which appeared in the *Winnipeg Tribune* yesterday. The *Tribune* is certainly no friend of the NDP.

Some hon. Members: Oh, oh!

Mr. Orlikow: Just listen a few minutes, and then get up and speak. The editorial reads in part:

Some time ago, the federal government had its eye on a one-block area in downtown Hull, but was outbid for the property when a private development firm offered more than the government thought the land was worth. The successful bidder, the Campeau Corporation, plans to start construction next year on a complex containing two or three office towers of between 18 and 27 stories.

One of the several curious aspects of this project is that the office space is to be used by the federal government and will provide room for 5,000 civil servants . . . The government will lease space for \$14 million a year on a 35-year contract, after which it will have an option to buy the building for between \$50 and \$60 million. That's \$490 million in rent, topped off by the purchase price.

Who is Campeau Corporation? I think it is not without some significance that one of the directors who just resigned about two weeks ago was the same Senator Giguère who was involved in that somewhat shady deal at the airport in Montreal.

Some hon. Members: Shame!

Some hon. Members: Oh, oh!

Mr. Orlikow: It may just be a coincidence, but these coincidences happen too often to be accepted as coincidence when we have a Liberal government.

Just yesterday that so-called friend of the working man, the Postmaster General (Mr. Mackasey), was lecturing the working people of Canada and saying that they were unpatriotic and un-Canadian—shades of Senator McCarthy of the United States. Why? Is it because workers were saying that with this type of inflation they are entitled to a decent increase in their wages? It may be that they are asking too much. If they are, they deserve to be chastised, but where was that so-called friend of labour, the Postmaster General, during the last few years?

In 1972 corporate profits increased by 21 per cent over 1971. In 1973 corporate profits increased by 35.7 per cent over the same period in 1972. In 1974 they increased by 33 per cent over 1973. I challenge the Postmaster General or anyone else opposite to show me a single group of workers in this country which was able to obtain wage increases in those ranges, or even half those ranges. Where was the Postmaster General? He was conspicuously silent in those years.

● (2050)

[Mr. Orlikow.]

An hon. member of the Conservative party criticized the hon. member for Nickel Belt for saying certain things about International Nickel and Falconbridge. The former Liberal cabinet minister, Mr. Eric Kierans, published an article in the *Regina Leader Post* of August 9, 1974, in which he said:

Inco's profits after taxes in 1972 were \$110 million and in 1973, \$227 million. This year—

Meaning 1974.

—they will exceed \$300 million after taxes. Is this being taxed to death?

Noranda's profits after taxes in 1972 were \$64 million; in 1973, \$121 million. This year, they will approach \$200 million after taxes. Is this being taxed to death?

In light of these profits, is it any wonder Canadian workers are now asking for large wage increases, increases the Prime Minister and others say are too high?

Experience tells us one thing: those whose income consists entirely of wages or salaries cannot avoid paying the government every cent of income tax they owe. Revenue Canada insists on collecting. Can we say the same about corporations? Not likely, Mr. Speaker. According to the *Globe and Mail* of October 31, 1975, James Gourley, Director General of Audit for Revenue Canada said:

. . . some of the multinationals use their intricate corporate structures to minimize the taxes they pay.

The *Globe and Mail* reported that:

He said he had no idea how much Revenue Canada is losing through tax avoidance by multinational corporations. He guessed that missing revenue from all sources—including multinationals—might be 10 per cent of total revenue.

I note the former minister of national revenue sitting in the House. I continue quoting:

. . . it is difficult for Canadian tax officials to decide whether the costs being charged by subsidiary companies in Canada are fair or are being inflated to boost costs and lower taxes.

A subsidiary in Canada may be supplied with products or services by its parent in another country. The subsidiary would write off those costs against its profit.

But, Mr. Basford said, when tax officials try to find out whether the parent is charging a fair price they may be told that the subsidiary has 'no access to pricing information concerning sales of their foreign sister corporation.'

Is it any wonder ordinary people cannot accept the government's program which attempts to control wages and salaries but not prices and profits?

Any who wonder what the program will do should read the report of the speech made by the Minister of Industry, Trade and Commerce (Mr. Jamieson) in Calgary. The *Globe and Mail* of October 30 carried the following report:

Federal guidelines on corporate profits may contain provisions to ignore excess profits if they are re-invested in capital facilities to increase production within a company, Industry, Trade and Commerce minister Donald Jamieson has indicated.

Alternatively, a company could be given assurances that current excess profits may be used to offset future losses . . .

I have never heard it suggested that if working men received lower increases than they anticipated, or increases limited to 10 per cent or less, they can make up their losses at a later time. It is not surprising that ordinary citizens are questioning this program. Their doubts must be reinforced when they note the makeup of the