

Cost of Living

There was talk about freezing prices and salaries. Mr. Speaker, if interest rates on bank loans are not to be frozen, if taxes are not to be frozen, why pick on salaries which represent a very small percentage in comparison with sale prices on finished products. We know that in the United States, for example, in the heavy industries the percentage of salaries represents only about 3½ per cent and in Canada, we also know that in the heavy industries the percentage of salaries included in finished products represents only about 4 per cent, whereas, for example, the cost of salaries in comparison with the cost of producing food for major industries represents only 8.8 per cent of the value of those products sold on the market, the profit on the other hand being 25 per cent, and it is 66 per cent on the cost of raw materials.

Mr. Speaker, in view of those facts, it would actually be criminal and inequitable to consider imposing a ceiling on salaries, since the sore is not there.

● (1710)

Since according to the present pricing system, the public must assume all the production costs for a given period when it should only be paying for the total consumption during this period, the purchasing power/production costs/sales price ratio would be better balanced if current wholesale prices were modified by means of subsidies like those that the right hon. Prime Minister (Mr. Trudeau) has already started to suggest, so that the relation between modified and current wholesale prices be the same as that between total production and consumption.

Therefore, Mr. Speaker, we Creditistes recommend that this adjustment to the economy be made along these lines: First, wholesalers could be asked to register at their bank to obtain the subsidies related to wholesale prices. Second, registered retailers would commit themselves, according to the registration, to maintain all their gross profits at a rate not exceeding the rate agreed to, after consultation, as being the equitable rate of profits within their respective group.

They would also be required, as an evidence that they complied with their commitments, to submit twice a year a duly audited financial statement.

Third, these retailers would in turn be allowed to sell their goods at a discount price, according to the above mentioned formula, at a rate that would be regularly announced by the Bank of Canada.

Let us assume, for instance, that this rate is set at 25 per cent; retailers would get 75 per cent of the price of their goods from the public at large and 25 per cent from their bank, that would be reimbursed in turn under an agreement with the Bank of Canada.

Fourth, together with the passage of the above mentioned measures, all rents, wages and salaries could be reduced by, say, 10 per cent, which would reverse the inflationary trend that results from increasing costs of production. Needless to say that before reaching that point, the corporate income tax and the sales tax would have to be reviewed. And as far as the sales tax is concerned, it would even be desirable to abolish it.

[Mr. Godin.]

Mr. Speaker, this price adjustment I have underlined cannot be implemented before a change is previously made in the financial system.

We Canadians remember the commitments of the right hon. Mackenzie King in 1935. And if a change was necessary at that time, this measure has obviously become a national emergency; therefore, this is the aim that all Social Credit party members who want to deal efficiently with an expensive social life, have been trying to reach, and we will continue in our effort, Mr. Speaker, because I think that it is important. We will have to reach our goal.

[English]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, some comments have been made by members opposite concerning the number of members present on this side of the chamber. They know that a most important function is being held at this time in this city, the capital of Canada, and that some of our people have a legitimate excuse for being out of the House. However, I thought that if members of the official opposition had been serious about the motion they moved, their benches would be filled. As you will have noticed, Mr. Speaker, those benches have been rarely full on any of the motions they put forward.

Mr. Hees: It isn't quantity but quality that counts.

Mr. Whelan: The hon. member is talking about quality. That reminds me of a letter that appeared in one of the local newspapers. I am sure the Leader of the Opposition (Mr. Stanfield) would be interested in it. The letter read in part:

On September 8 I visited Simpsons Sears store on St. Laurent Boulevard. I selected four pairs of men's underwear. Each package showed signs of recent removal of the price stickers. A salesman told me the price was \$1.75 each. Then, I noticed another identical package with a price sticker of \$1.50. Questioned about this, the salesman said the price had just been increased, and the stickers were being changed for this reason.

I suggest that since the Leader of the Opposition knows so much about this product the letter writer should contact him immediately.

When we introduce programs to aid people, criticism is made loud and clear in the House to the effect that we are freezing people into fixed prices. That was done today. Here, I refer to the program I announced providing 5 cents a quart aid to consumers of milk in those provinces entering into the agreement. Nothing could be further from the truth than that we are freezing them into set prices. It is clearly stated in the agreement that either party can re-enter negotiations if things change drastically one way or another, and I point out that the province of Quebec has agreed to that. We are not freezing prices at any level. We are aiding the consumers and the producers at the same time.

The Leader of the Official Opposition talks about a 90 day freeze, and I have heard the hon. member for St. John's East (Mr. McGrath) make glowing speeches about it. Mr. Speaker, I have here the price index for fish and a comparison with other foods. I wonder if the hon. member for St. John's East would have the guts to go down to his own constituency and tell the people there, "My leader wants to freeze you people at your present level of wages,