

*Family Allowances*

old age pensions and to the guaranteed income supplement, with quarterly adjustments. The government uses its powers and assumes its responsibilities in the war against inflation.

[*English*]

**Mr. Gordon Ritchie (Dauphin):** Mr. Speaker, in his speech on Bill C-223, an act to amend the Family Allowances Act and the Youth Allowances Act, the Minister of National Health and Welfare (Mr. Lalonde) suggested that, putting the bill into proper perspective in the total program which the government had announced to protect the purchasing power of the Canadian consumer, the legislation was designed to limit the effects of inflation in Canada. He especially mentioned that Canadians are suffering the first consequences of inflation, particularly in the area of food costs. He went on to say that the exceptional increase in food prices confirms the urgency of passing such provisions.

I agree with the intent of this bill but I suggest that food prices will continue to rise, that far-reaching changes are altering the food industry and the food marketplace and that this bill will act only as a stopgap in the present escalation of food prices. First of all, Mr. Speaker, the rise in food prices was long overdue to the primary producer, the farmer. There had been very little increase in the price paid to farmers, especially grain farmers, in the last 20 years. Also, the number of people who have left the farm in the previous ten years has been nothing short of rural depopulation. Now we are experiencing a rise in food costs around the world and the Canadian consumer is vitally affected.

There has been a rapid rise in the main export grains and commodities such as flaxseed, rapeseed, wheat, barley and other feed grains. This rise has not all been due to a shortage of grain, as some would have us believe, but has come about because the prices of these grains and oilseeds are set around the world and the hard currencies, the mark and the yen, which set our prices have appreciated so much against the Canadian dollar that much of the price rise can be ascribed to the changes in the international monetary market. For instance, the German mark, which only a short time ago traded at four marks to the dollar, is now trailing at 2.4, indicating that the Canadian dollar has devalued 40 per cent against the mark.

The price of rapeseed is largely set by the German mark. What was the going price of \$3 for rapeseed for the Canadian farmer a few months ago is now \$5. This increase does not represent any actual accrual in price but merely reflects the changes in currency values. This indicates, Mr. Speaker, that the rise in grain prices has been in many instances the result of international monetary changes rather than the result of the drastic moving up in grain prices so far as international markets are concerned.

This depreciation of the Canadian dollar has benefited Canadian farmers. Canadian consumers who benefited for years from the fact that German and Japanese goods were relatively cheap now find there has been a reversal and the other side of the coin has come up, so that the farmer selling foodstuffs has an immediate advantage. However, the government has moved to reduce the farmers' advantage in a swift and sure fashion.

[Mr. Gauthier (Ottawa East).]

Yesterday in the House we heard the right hon. member for Prince Albert (Mr. Diefenbaker) detail the convolutions that the government went through in setting the price for wheat to be made into bread in Canada. At first the price seemed to be set at \$3.25 per bushel to the millers, with \$1.25 of that being paid in subsidy. The next announcement was that it would be \$3.25, with a subsidy over and above the \$1.25. Then the minister in charge of the Wheat Board, during a trip to Winnipeg, got it up to a \$1.75 subsidy.

**An hon. Member:** Order.

**Mr. Deputy Speaker:** Order, please. I regret to interrupt the hon. member. I know that extraordinary latitude has been granted in speeches throughout the debate today and on the previous day. If we can agree that this debate is to be treated as some sort of debate on the economic affairs of Canada, instead of one which has to do specifically with the act that we are considering, we would be home free. However, if we do not so agree, then the hon. member is clearly not in order as he is not dealing with an act relating to family allowances and youth allowances.

I know we are in difficulties. The Chair has tried to be reasonable and perhaps even a little deaf with regard to hon. members' contributions in the last couple of days. However, once in a while when the Chair does that it is called to order. Therefore, if the hon. member would refer to family allowances at least once every couple of minutes, the Chair would feel much easier.

**Mr. Ritchie:** Mr. Speaker, may I point out that the minister in his statement said that this bill was brought forward as part of a package to alleviate the pressure of food prices. I believe he said something like that in his opening statement and mentioned that the bill was being brought forward to alleviate some of those problems.

• (2100)

We are in agreement with the proposal that family allowances be increased which, as the minister stated, is to help families cope with the high cost of food. I am detailing some of the reasons why food prices have risen and why this legislation is necessary. I suggest that the rise in food prices has been due to monetary convolutions around the world, and unless changes are made prices will continue to rise. In any event, had grain prices remained low there would have been more of an indication for a fall off in food production. It is important that food production be increased, and this is the result.

I wish to point out something else the government will have to consider with regard to the problem of high food costs. The world market for feed grains has increased phenomenally. The main Canadian feed grain commodity—at least the one that moves into the markets of the world—is barley, which is currently bringing over \$3 a bushel in the marketplaces around the world and there is every indication it will remain at this level for the coming year. There may be some reduction when the American soybean crop comes on the market along with the American corn crop. However, this price largely represents the increase in the depreciation of the Canadian dollar. This makes it necessary to increase family allowances to help those who have had their incomes depleted. We should not