

Food Prices

storage facilities so that we can be truly competitive in the cereal grain market. Let us face it; the time will come again when we shall have a surplus of agricultural products merely because the agricultural segment of our economy is truly efficient and productive and will produce no matter what governments do.

Farmers do their best to produce, because in so doing they feel they are accomplishing something worth while. I admire them for that. Let us see some decent salesmanship by the government. Let us see greater efforts to enter into long-term contracts with new or emerging trading blocs, in particular the European Economic Community which will supplant our traditional market in the United Kingdom. I was interested in hearing the minister of industry, trade and commerce of the last parliament, and the present minister, announce what is happening, what the government are doing and that ambassadors have been appointed.

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We do not seem to be coming to grips with the real problem of getting business tied up on a long-term basis so that our producers will have the knowledge that there is something to work toward. In order to get into that position the government should, as a matter of principle, embark upon a policy of paying for storage of grain on farms so that we can at least be in a position to deliver these additional sales when they come. This would also level-out the peaks and valleys of our production in that area.

We should establish a guaranteed floor price. It should not be established at a price that is more than ten years old and has been depreciated in the meantime by inflated dollars. If there is a demand for the product, let us produce it. We should become efficient.

Mr. Deputy Speaker: Order. I regret to interrupt the hon. member, but the time allotted to him by the House order made earlier has expired.

Mr. B. Keith Penner (Thunder Bay): Mr. Speaker, as one who served on the trends in food prices committee, I can certainly agree with the hon. member for Saskatoon-Biggar (Mr. Gleave) who said that to serve on that committee was a fantastic learning experience. It undoubtedly was.

We all know that the impact of the high cost of eating has become a predominant concern of the consumer. The topic of food prices has once again been the subject of an inquiry by the federal parliament. It is right and proper that the consumer and government alike should be disturbed. However, I suggest, as did some hon. members opposite and as did the brief presented to the committee by the Manitoba government, that in comparison little attention has been devoted to prices of goods and services other than foods, such as housing, transportation, health and personal care.

Mr. Woolliams: I couldn't agree with you more.

Mr. Penner: This is rather extraordinary, in view of the fact that a very large majority of consumers during the past few decades have been spending a declining share of their income on food, in contrast to income shares devoted

[Mr. Schumacher.]

to housing, transportation, health care, recreation and entertainment.

If we are disturbed about food costs, we should be even more troubled by the prices of houses. There are, of course, many reasons why food is costing more. It was rather difficult for the committee throughout all its deliberations to single out one culprit or even to find that one section of the food industry is responsible for taking undue advantage of us. When you come to housing costs, however, and I will use this as a brief example and not expand upon it, it is quite easy to pinpoint the problem. There is a shortage of serviced land. This has pushed up the value of real estate in many Canadian communities and has opened the door wide for land speculators. I read in the *Financial Times* this week that the cost of serviced lots in the city of Toronto is now somewhere between \$18,000 and \$20,000. Without talking more about that problem, which is one that ought to concern our provincial governments a great deal more than it obviously has, I would like to go on to deal only with food costs.

The brief from the Manitoba government spoke of an apparently unwarranted preoccupation with food prices. Part of the reason for this is that shopping for food is done by cash on a daily or weekly basis. Other necessary expenditures which consumers have to meet, such as mortgage payments or rent, seem to be extracted from them in a way that is somewhat less painful.

In any consideration of food prices, meat always seems to be at the centre of the stage. It seems that consumers in North America have too great an appetite for meat to be satisfied with macaroni and cheese. The committee report refers to the increased demand for beef and pork products. I quote the report as follows:

Canadians like meat and are willing to pay for it.

In 1961, according to calculations of the Meat Packers Council of Canada, consumers in this country used 70.5 pounds of beef per capita. Consumption of beef then rose throughout the decade until it reached 87.3 pounds per person in 1971. Statistics for 1972 are not yet complete, but it is estimated the per capita beef consumption will be almost 90 pounds, and the trend is rising for 1973. Consumption of pork and poultry on a per capita basis has also risen rapidly.

The increasing proportion of meat in Canadian family diets, which represents an upgrading of the food consumption pattern in this country, has been made possible by rising real incomes. The rising demand for beef has seen our farmers make very determined efforts to increase supplies in economic response to a profitable level of livestock prices. Farmers have been encouraged by higher prices to produce more and better quality food. For the farmer, these improved prices are necessary to meet his rising costs of production.

The chairman of our committee already referred to the fact, and all members of the committee were certainly convinced, that the primary producer, the farmer, the man who produces the food in this country, cannot be held responsible for the high costs we have to pay. What happens if these efforts on behalf of the farmer to increase supply are slowed down or stopped? What happens if more and more farmers quit producing food? One leader in the food industry put it this way: "With the