

*Food Prices Committee*

The second factor to be considered is rising wages. Even though they may be justified at times, they are automatically reflected in prices as wages are part of the cost of products and costs are reflected in prices.

Again we agree that salaries should be adequate. But we know very well the mad run on wage increases in many fields which lead to price increases. In such conditions, whenever the consumer buys products, he must pay a price that bears no relation to the production price and there are many reasons for that.

Mr. Speaker, there is another important reason for such increases. It might be said that the Créditistes have been harping on the same subject for many years, but that is where the trouble is. Why is it that in spite of all inquiries and the creation of a royal commission on prices and incomes a few years ago there has been no solution yet? This is because people prefer to ignore the true solutions. One really effective way to solve this problem would be to eliminate this debt money from our financial system. This debt money naturally bears interest and directly promotes price increases. Let me give an example: If a food dealer or producer is forced to borrow \$10,000 from the bank and must pay back 10 per cent more at the end of one year, where will he take the \$1,000 needed to pay the interest? He will certainly get it from the consumer's pockets by raising his prices. Considering that this happens in all fields of production, one realizes that by not applying the essential monetary reforms proposed by Social Credit, we shall go round in a circle forever and will never find a solution.

We are not content with criticizing. In looking for real solutions, we note the ill effects of the system in which we now dabble but we have alternative solutions and we should like them to be examined seriously.

To lower production costs, it must be realized that any production must be financed through new money. If we follow the principle that new money must be created for any new production, we shall avoid disorderly increases in prices resulting from fantastic interest rates. We should also recognize that public capital must be financed through interest-free loans, which would make it possible to reduce taxes.

• (1620)

Surely if we do not have to pay two, three or four times the real cost of labor, we will have more credit to give the consumers. If there is more money for the consumers, Mr. Speaker, we will reach an intelligent control of prices.

Finally, it happens that in spite of all our goodwill, in spite of the excellence of the producers with regards to the production of a particular product, it is very difficult to establish a suitable price for the consumers.

I say it again: there are solutions to this problem. The solution in the case involved would be as follows: prices should be reduced by giving discounts to the consumer.

Mr. Speaker, nobody can deny that compensated discount is economically justifiable. Not only is it justifiable but it is also necessary if we want to avoid bankruptcies caused by the existing unbalance between prices and purchasing power. The lack of a compensated discount is

[Mr. Matte.]

what forcibly causes disorganized discounts which precede or come with commercial failures.

Mr. Speaker, if we stopped to seriously study this problem, I am sure that the solutions we are promoting would be considered justly and we could thus help the consumer, that is the whole population.

And as we must consume food products, this means we are studying a problem which involves 23 million Canadians.

Mr. Speaker, compensated discount would make this dilemma disappear. And if we considered it without partisanship, if we really tried to give it serious consideration, we could find that it is possible in Canada to grant everyone economic security—the purchasing power needed by each consumer to purchase all the essential products he needs.

Since we are sitting over unparalleled riches in this country, it is unthinkable that some families should lack money to obtain the food they need. This is a disgraceful situation.

Therefore, considering that other studies have already been made on the subject, I think that any additional inquiries should be short since the problem is urgent. In fact, it boils down to the purchasing power available to individuals. Such purchasing power can be increased—and we know that it could be increased—but we should avoid, as I said a moment ago, hiding behind a screen in order to shun the solutions I have just put forward.

[English]

**Mr. Ross Whicher (Bruce):** Mr. Speaker, I have had the privilege of listening most attentively to the other members who have spoken in this debate. I should like to pay my compliments to the minister, who I thought put the cards on the table indicating where we stand in connection with setting up a committee to study this very important problem—and problem it is in Canada.

I also listened to the hon. member for Northumberland-Durham (Mr. Lawrence) and the hon. member for Vancouver-Kingsway (Mrs. MacInnis). As far as that hon. member is concerned, no one can deny the great sincerity with which she speaks. This sincerity did not manifest itself just today; this problem has been close to her heart for many years, and I think all hon. members of the House owe her a pat on the back for the very effective way in which she presented this very serious problem to the House of Commons, and thus to the people of Canada. To the hon. member for Champlain (Mr. Matte), I also pay my compliments; he had some very good points that should be brought forth to the people of Canada.

It was my privilege to sit in the Ontario legislature with the hon. member for Northumberland-Durham for many years and I must say he has lost none of the fire he used to have in those days. Let me tell you, Mr. Speaker, that this hon. member is a very important man. He gave us some points this afternoon that certainly need to be read carefully in order to see what meat they contain. One of the things he suggested was that the committee would not be effective but, speaking on behalf of the Conservative party, he reluctantly agreed that such a committee should be set up. Let me suggest that the hon. member has changed his mind in the last several months. Let me tell