

*Food Prices*

been made to us by a committee, considering it at least and then voting either for or against it.

If that is the will of the House, it is a decision which the House has to make. However, to come before us with an amendment such as the one proposed by the hon. member for St. Paul's, which is an entirely new question, which I respectfully suggest to him has nothing at all to do with the recommendation that has come to us from an excellent committee making an excellent report, that report having been proposed for the consideration of the House and the acceptance of the House by the hon. member for St. John's East, is not in accordance with the customs, traditions and practices of the House.

I suggest to the hon. member that what he is asking us at the present time to do is not to amend the motion before the House but to amend the decision of the House taken by this assembly on January 23. On that basis, I find the amendment cannot be accepted.

**Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources):** Mr. Speaker, it will be obvious to the House why I rise to speak on this particular occasion. Interest and, of course, long-standing expertise prompt me to rise and talk about farm prices and particularly about the effects that various costs, not least of which is the cost of petroleum, have on costs of food in Canada. By way of introduction to this question I should like to relate my remarks to some of the exact terms of the second report of the special committee which we are considering.

I refer particularly to *Votes and Proceedings*, page 514, paragraph No. 8, where one finds a discussion of the importance of having an adequate supply of essential food, of the importance, also, of encouraging farmers to increase steadily the production of staple foodstuffs, and of the fact that we should at the same time provide a fair income for the farm family. At the same time, I would refer to paragraph 2 of the same report, which refers back to and incorporates by reference the first report of the committee which may be found at page 232 of *Votes and Proceedings*. I refer in particular to the second column on that page, that is, to the reference to costs of operation, costs of processing and costs of transportation.

I think there is little disagreement among those who have been following the interests of the farm community, both in this committee and elsewhere, with the idea that one of the most important considerations involving farm costs has been the increased cost of petroleum products, particularly gasoline and diesel oil and also, of course, heating oil. These costs are important from the standpoint of farmers' operating costs.

I am glad the hon. member for Kent-Essex (Mr. Danforth) is here this evening, because he is personally familiar with and has taken an interest in the Ontario greenhouse owners and operators group which has particularly been feeling the impact of the acceleration in petroleum prices which Canada has experienced in the past year. This group will also feel it in the season to come.

These remarks apply to the growers of fresh fruits and vegetables of various kinds, if I may be parochial, in our part of the country in Ontario. They also apply to other parts of the country where some protection is provided for the Canadian consumer in food costs by reason of the fact

that the enterprise of the kind of producer I have referred to, who with a not inconsiderable investment in productive facilities provides the Canadian market during the cold weather months with fresh fruits and vegetables, provides important Canadian competition for imported foodstuffs. Without that Canadian competition the consumer would be less assured of paying a fair price at that time of year when he has no alternative source of supply in Canada.

Unfortunately, my colleague the Minister of Agriculture (Mr. Whelan) is not here this evening. He has, in somewhat forceful terms, put forward in relation to food costs and the costs of the farm community several arguments related to my portfolio and several arguments related to the fact that in the past year, in the area west of the Ottawa Valley line, the basic price of crude petroleum increased by about \$1. That was an increase of about 30 per cent from the standpoint of the refiners. Of course, that cost is passed on in due course to all consumers.

The view of the Minister of Agriculture, if I may do the best I can with an argument to which he would render better justice, is that this is unfair to the farmers in the first place, in view of the additional costs and competition to which they are exposed. Of course, this additional cost eventually shows up in the farmer's balance sheet and makes more difficult, as the report says, the provision of a fair income for the farm family.

The Minister of Agriculture at the same time makes a second argument, the justice of which I must acknowledge. He feels that it is unfair, at a time when the big, multinational oil firms are in a position to increase their prices and have in fact increased prices by nearly 30 per cent in less than one calendar year—the beginning of the increase came about November, 1972—to criticize the essential food producer. As these firms are in a position to take a mark-up of not less than 30 per cent, he feels that it is essentially unfair that the producer of food should be subject to so much criticism.

I think it is fair to say, without disclosing the confidence of the cabinet room, that the viewpoint put forward by the Minister of Agriculture and by many who represent the viewpoint of consumers in other farming areas of the country and of consumers in the broader sense was that the increases in the price of gasoline and oil were increases which were, in the first instance, substantial in the hands of the companies that received them; secondly, these increases for the time being were seen to be more than adequate—

**Mr. McGrath:** I rise on a point of order, Mr. Speaker. I apologize for interrupting the minister in his speech. I submit to him, through you, Sir, that he must stay within the rules. I submit that his remarks concerning oil and oil prices are not relevant to the debate taking place at the present time.

**Mr. Speaker:** Order, please. I am not sure whether the point made by the hon. member is well taken. I had assumed the minister who has the floor now would want to relate his remarks to the substance of the motion before us. He was talking about oil. It may have been olive oil he was talking about, which would bring his remarks within