

Food Prices

(Mrs. MacInnis) suggests that the board should have the power to roll back prices and enforce what it considers to be the general good of the consumer as well as the producer.

I cannot understand why that hon. lady would wish to be associated with a prices review board that does not live up to her expectations of what it can do. She and her party are advocating a much more severe solution to the problem than has been advocated by this party, which has said that as a beginning there should be a 90-day freeze while governments at the provincial and federal level work out a meaningful program within the general free market approach to this situation.

There is no escaping the fact that this is an economic problem. Someone has said that you can make an economist out of practically anybody or anything. Just the other day I heard that the best way to make an economist out of a parrot is to teach him the words "supply and demand". Surely the real problem with respect to food in Canada today has to do with supply. This, in turn, relates to our being part of the world economy—and the world is desperately short of food. It is discouraging to note that in the last year or two we have become net importers of agricultural products. At one time we prided ourselves on being the breadbasket of the world and, without difficulty, producing enough for ourselves. Now we are net importers of food. When you are a net importer of food, you are at the mercy of world markets. I think you will agree with me, Mr. Speaker, that our approach to solving this problem should be one involving increased supply.

• (2120)

One does not hear the New Democratic Party or the Liberal party advocating measures that would increase the supply of food. Actually, one can remember that classic example of the Minister of Justice (Mr. Lang) introducing the infamous program, Lower Inventories for Tomorrow—otherwise known as Lift—on the Prairies, whereby the taxpayer of Canada was actually paying grain producers not to grow grain. This happened with the past three years. Now we see that the latest contract for the sale of wheat to Russia, announced earlier this week, will take every bushel, every grain of wheat out of our possession. I therefore wonder what would happen in this country if we were to be unlucky with the weather. This has not been unknown in the past. Probably we would end up buying back some of the grain we sold at higher prices, if we were unfortunate. If the weather co-operates, there is no question that the Canadian farmer can produce the required amount of grain to meet our current commitments and also enable us to make other sales.

Primarily, we require at this time courageous policies on the part of government which must be effective in the war against hunger in the world. No one can deny that there is a world food shortage. If we can gear our production in such a way that we produce surpluses, if possible in most commodities that we are capable of producing, we shall take the pressure off the demand for food in this country and thereby reduce prices. As a happy consequence, of course, we shall be able to earn much needed foreign exchange and generally expand prosperity in the country by transmitting the benefits gained by foreign

trade to manufacturers and other sectors of the Canadian economy.

The government is entranced by the NDP-inspired idea that supply management should apply in the agricultural sector of our economy. Much time was taken in the previous parliament in debating that silly piece of legislation, Bill C-176, the result of which was a restriction in the supply of food in this country. It is time to remind hon. members again of this fact: if we are to bring prices down, we must increase supply.

The NDP philosophy is that there must be ever bigger units of production. They will not do the job. I believe that we can do the job most efficiently if we encourage small producers to produce. The cumulative effect of their production will provide the necessary quantity of products for us, at the best price. In my view, we do not want a continuation of greater and greater restrictions regarding grading and inspection of our products. We are only too familiar with the disappearance of small abattoirs and meat processing facilities which have been scattered about the country and replaced by larger slaughterhouses and meat-packing plants operated by an ever decreasing number of people. That situation may be very good for the NDP and their friends in organized labour, since it makes it so much easier for them to organize the people who are dealing with these products and who want to demand ever increasing wages.

As my hon. friend from St. Paul's (Mr. Atkey) pointed out, nobody who has taken part in this debate so far has been prepared to say that the food processing and distribution industries, which are labour-intensive, have contributed to increasing prices. Of course, the world situation has a great deal to do with the problem. However, when you see the lonely meat-cutter in the supermarket earning in excess of \$5 per hour in many parts of the country, you begin to realize why the price of meat is increasing. I suggest that if we are to keep some sort of lid on that part of our economy, we should encourage the establishment of more, and smaller meat processing and other processing facilities which deal with food in this country.

Certainly we do not want to increase the activities of marketing boards, the sole ambition of which is to restrict supply in order to drive up prices. We want policies that will enable producers to be efficient and produce the greatest amount possible in order to maximize income. They should not maximize their income by reducing production, since in the end nobody will benefit and food supplies will be lower. We have seen in the past how such policies have resulted in the tremendous cost-price squeeze from which the farmer has suffered. Prices, until relatively recently, remained dormant. At the same time, the price the farmer has had to pay for everything he uses has gone up fantastically. That he should still be in business, I submit, is a tremendous testimonial to the staying power and efficiency of the average farmer.

I suggest that we shall maximize production and solve our problems if this government is prepared to go into world markets and sell our products, instead of merely being an order-taker. We presently are commanding relatively good prices for our cereal grains, largely as a result of the crop failures in eastern Europe and China. For a long time I have advocated the setting up of overseas