

Food Prices Committee

suggestions that will be useful to the Prime Minister (Mr. Trudeau) when he meets the western premiers to discuss freight rates, because this is a significant factor in the cost of food in all parts of Canada. Our freight rates structure does not relate to our geography or our climate; it relates only to the individual modes of transportation and the profitability of each.

This country is 4,500 miles wide, comprising an area of 2½ million or 3 million square miles, with 22 million people scattered throughout and as far north as you can go. Why are people in outlying areas penalized for living there with high transportation costs? This is an area in which the committee must bring forward concrete recommendations.

My colleagues, the hon. member for Meadow Lake (Mr. Nedsdoly) and the hon. member for Northwest Territories (Mr. Firth), were good enough to provide me with some examples of what transportation costs mean to them. I have here a copy of an advertisement for the Bay Food Mart which appeared in the Inuvik *Drum* on January 4, 1973. A 48-ounce can of apple drink—not pure apple juice—costs 59 cents. That is double the price in Regina, Mr. Speaker, and it is a sale price. I hope the committee will find out what the regular price is in Inuvik, because the normal price in this part of the country is three cans for 99 cents. Two 16-ounce cans of pork and beans were advertised for 79 cents. In the more settled parts of Canada it is two for 38 cents or 40 cents.

I suggest, Mr. Speaker, that the difference in price is due to higher transportation costs in the north. The price of cut green beans is double what it would be in Regina, Toronto or Montreal. I am not at all suggesting that the transportation costs are not legitimate, but I am asking the committee to look for ways and means for sharing the transportation costs amongst the entire population of Canada. This could be done partly through equalized freight rates and partly through subsidized freight rates so that the person who lives in Inuvik is not victimized because of geography.

In a place like Fond du Lac in northern Saskatchewan a quart of milk costs 94 cents because of the air freight. What family on a low or medium income can supply the children with a sufficient quantity of a basic necessity at 94 cents a quart? In Buffalo Narrows it is 44 cents a quart, which is 12 cents more than the price where it originates. Surely some equalization of the cost of distributing goods to the people from one coast to the other is long overdue. Members of Parliament have been fighting these freight rates; farmers, farm associations and the co-operative movement have been fighting them for years.

Another thing—this could almost be considered a crime against humanity—is the cost of beer in Yellowknife, at \$4.20 a case.

An hon. Member: What brand?

Mr. Benjamin: Any brand. Of that, \$1.25 is the cost of transportation. Why could not the beer drinkers in Ottawa pay a nickel a case more and lessen the cost for beer in Yellowknife?

Last September, when the election campaign was in full swing, a great deal was being said by consumers, politi-

[Mr. Benjamin.]

cians and many others regarding food prices. On September 19 the Minister of Finance made a statement in this city which was reported in the *Ottawa Citizen* by Mike Pasternak. He quotes the Minister of Finance as saying:

Food prices will continue to climb and there is little the federal government can do to control them.

At that time the Minister of Finance was a member of a majority government. If he was right then, I would like to know why the government put a motion on the order paper proposing a committee of the House of Commons to look into food prices. If there was little that the federal government could do about it in September, why bother now? The article goes on to quote the minister as follows:

I'm afraid we're in for higher prices—that's all there is to it.

Now, why is the government submitting this motion to the House?

Mr. Turner (Ottawa-Carleton): I rise on a question of privilege, Mr. Speaker. That particular report was denied by me and the denial was carried by Canadian Press about three hours later.

Mr. Benjamin: Mr. Speaker, I am glad to hear that. They did not carry the denial in Regina, 1,854 miles from here, but they did carry the original story. If the Minister of Finance was misquoted, that is the best news I have had all night. But, Mr. Speaker, it has also done away with about ten minutes of my speech.

Some hon. Members: Hear, hear!

An hon. Member: That is the best news we have had all night.

Mr. Benjamin: However, that is not going to stop me. I should like to know, before I read further from this clipping, if the Minister of Finance says that everything in this article is incorrect. He may just indicate by a nod. Is the entire story wrong?

Mr. Turner (Ottawa-Carleton): No, just that statement.

Mr. Benjamin: Then we will go on to the juicier parts. The minister is reported to have said that a food shortage is causing prices to escalate. A food shortage in Canada, Mr. Speaker? We are up to our backsides in wheat and barley, tomatoes and potatoes, beef and pork. We have a food shortage in Canada, Mr. Speaker? I should like to know about that. Except during wartime we have always been able to bring in more than sufficient food to meet our needs. I should like the Minister of Finance to explain about the food shortage in Canada and how it is causing prices to escalate. He should explain that to the committee if requested to appear as a witness. The other red herring the Minister of Finance threw out last September 19 was, I suspect, the biggest red herring that has ever been thrown out with regard to food prices. According to this report he said:

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I ask myself whether people in Canada would put up with rationing in peacetime.

Mr. Speaker, even if the minister were correct, let me point out that the productive capability of the farmers of