

inflation the farmer is experiencing. Third, it is consistent with a new and comprehensive agricultural strategy that will assure improvements, and sustained improvements, in income for producers. In their briefs to the special committee on food prices the Alberta government and others urged this government to establish a food chain intelligence system. Their responsibility would be to maintain a continuing vigilance on the factors that contribute to food costs in all sectors of the food chain. That certainly is not being done at the present time.

In the first three months of this year farm input costs increased by 6.1 per cent, an increase of 10.2 per cent in the past year. How can a government suggest that rising food prices will mean income gains for the farmer, with costs rising at such a rate? How can the government suggest a food prices review board will be able to do anything while farm operating costs are increasing at such an accelerating rate? We propose that these input costs should be frozen for 90 days and a policy introduced to provide permanent relief against such cost pressure.

One very important feature of our proposed stabilization plan is that farm prices will eventually have a ceiling. This must happen if all other segments of agriculture are in the same position and are also frozen. As an example, the input of meat packers would be limited. After the live beef cattle move from the farmer to the packer, the price would be frozen at that point. The ceiling that would be imposed on farm commodities for the proposed three-month period would only be imposed under what this party considers to be emergency conditions such as we are experiencing at the present time. At the present time farm prices are at an all-time high. It should be stressed that there would be absolutely no move to impose temporary controls such as we are talking about tonight if prices of commodities were not at their present high. If prices were not high there would not be the need to take the kind of measures we are talking about this evening.

● (2130)

Food prices are not rising primarily because of accelerating demand and will not be abated by telling people to eat less nutritious food. In this affluent age it is not a luxury, it is not a privilege; it is a right to expect to be able to eat decently, to drink milk, to eat eggs and meat. The greatest single cause of escalating food prices is supply and industrial policies which have failed to assure food production at levels consistent with steadily increasing and predicted demand.

The main source of this failure is the government. In the area of marketing practices the government has displayed an incredible amount of shortsightedness. Instead of marketing boards promoting shortages, as has been the recent vogue, the government should be actively promoting an expansion of production. To ensure that farm incomes remain reasonable, marketing both at home and abroad should be more aggressive. This has been stated many times by hon. members on this side of the House. This is of particular importance in light of the recent emphasis placed by the United States on the expansion of agricultural production.

Canada will find it increasingly difficult to compete with United States' commodities unless our marketing

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system becomes much more active and much more responsive rather than allowing farmers and consumers to be at odds with each other, as epitomized in the statement by the Minister of Agriculture. Governments should take direct action to head off the major source of the farmers' problems by heading off rising costs. Perhaps the greatest failure has been the government's total ineptness to allay the inflation psychology in this country which is running rampant at the present time. Wage earners, expecting another year of high inflation, have during the first quarter of this year settled for a 7.5 per cent increase in wage rates.

The approach we have taken to the marketing of agricultural products in Canada is anything but market-oriented. Our static view of the market is out of step with a fast and dynamically changing world. Great rewards appear likely to farmers and to the agricultural industry as a whole if Canadians change their perspective in this regard. We on this side of the House have long advocated various methods of expanding the food supply by offering incentives to producers and ensuring, to the best of our ability, that their products will be sold not only inside Canada but in our expanding export market.

Looking at our total trade picture, I see there has been a steady narrowing of the trade balance in agricultural products over the past seven years. Canada exported about \$1.4 billion worth in 1968 and imported about \$1.1 billion worth. If one excludes wheat, Canada is a net importer of farm products. This situation has changed over the last year, but not as a result of a more aggressive approach to marketing. It is basically because we are running into a situation of short supply throughout the world. No one is talking at the present time about an abundance of farm products; there is a scarcity, as the Minister of Finance (Mr. Turner), continually reminds us. Has the government been working in the last three years to expand agriculture and make it more self-sufficient? No. The government has been working like mad to increase impediments to production.

The Minister of Agriculture delivered a speech on March 4 which, if it was read by many agriculture producers, would have quite a startling effect. He was talking about an area of Saskatchewan and said that pork and beef producers in that area appeared to be gun-shy of marketing boards. He went on to say:

Frankly, I think producers would be much further ahead to take an objective look at what the system could offer to their industry, and see how marketing boards and agencies could be put to work for them, and not against them.

There has been a lot of controversy about marketing boards. The beef industry has rejected them. However, the Minister of Agriculture appears bent on moving toward a system under which all agricultural products would be covered by such boards. It was also mentioned this afternoon that the Minister of Agriculture, who has been talking so much and who has been the champion of the farmers to such a great extent—

**Some hon. Members:** Hear, hear!

**Mr. Murta:**—has been in agreement with some of the following measures which have been enacted over the past few years, measures which have restricted the marketing