

other committees have already been established and they have prepared many studies and made many suggestions but prices keep on increasing. We only hear about price increases and people complaining that each week the cost of living is going up.

If the cost of living is higher, only a few drastic measures should be taken. In my opinion, no member of the House actually described the true situation. I do not believe either that any member has made any practical suggestions to reduce prices. We do not need higher prices but lower prices. To reduce prices we must lower taxes and allow compensated discounts on prices.

Inflated prices give rise to certain factors, which we cannot cope with at the present time. And prices keep spiralling up and we cannot put a stop to that. Therefore we should appraise total production as well as total consumption in this country and if total production greatly exceeds total consumption, it would be wise to set up a total compensated discount which would lower prices and enable citizens to buy more.

We could begin by lowering prices of agricultural machinery and buildings. It should be a good thing also to abolish taxes so as to lower prices. But an increase in taxes and wages will automatically bring an increase in prices, especially in transportation. Therefore prices begin to spiral and there is no solution as there is nobody to suggest any.

Therefore in order to solve that problem which affects us all, we should first lower food and shelter prices, because housing is almost as important as food.

We can get neither food nor shelter at a low price on account of the taxes and of the outrageous interest on loans. As a matter of fact, as early as 1955, farmers were paying around 5 per cent interest on the money they borrowed. Today they pay an interest rate of 8 to 9 per cent. Therefore, the government proved remiss when failing to check interest rates, for their consequence is soaring prices for products.

• (2110)

If the committee fails to deal with interest rates, to devise technical means likely to cause lower prices and a return to a properly balanced economy, thus allowing our citizens to live decently and pay reasonable prices for what they need, the appointment of such a committee will be useless.

The members of this committee could possibly not have enough guts, enough heart, enough courage to take the bull by the horns and to restore, once and for all, the balance of an economy which gets out of kilter day after day. The more our present techniques are applied, the more the cost of living increases and the more it is difficult to live for the citizens of this country. The real problems must be considered.

I respectfully submit these reforms to the House and I ask the government to look into them because if reforms other than those we know presently are not considered, things will go from bad to worse. To solve the problem, we must strike at its roots. The real problem is of an economic and financial nature, and if we go on favouring finan-

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cial institutions and allowing interest rates to go up, the present economic imbalance will persist and worsen.

All hon. members seem concerned about the matter, and prepared to seek solutions. However, solutions have been considered before and I am sure the committee will come back with the same findings, which means there will not be the slightest change in our present unfortunate economic situation. The more this system is used, the worse the situation gets.

There are many solutions we could consider and I am sure that if we did so seriously, we could successfully bring down prices not only of food, but also of housing, and the cost of living in general as well.

The whole economy should be reviewed and it should be put to rights if we want to get somewhere. At the present time, we are getting nowhere. Our economy is hardly viable and far from sure. We have modernized our farm production; why not then modernize our financial means in order to ensure distribution of that production? It exists for the purpose of consumption and not to remain on shelves. If there is excess production as is the case this year—our excess production being of the order of some \$40 billion—it is easy, through technical means, to cash in on that production and have it distributed at low price to our citizens. That would allow them to live, it would lower the general cost of living and would solve current problems once and for all, especially the main economic problems that we are now experiencing.

[*English*]

**Mr. Les Benjamin (Regina-Lake Centre):** Mr. Speaker, I rise to take part in this debate without making apologies such as have been made by some hon. members. It seems to me only appropriate that members on all sides should point out areas in the context of the price of food which they believe are problems which should be examined by the committee and upon which the committee should report and recommend. I do not think it is wrong for any member of the House to point out the problems in his part of the country or to point to other aspects of rising food prices.

This whole issue is a political and economic one right across the country. I wish to say only one thing about food prices in relation to the problems of producers. Between 1961 and 1971, Canada's food bill increased by \$4 billion but realized net farm income during the same period increased by only \$600 million, or 16 per cent of the total increase. Surely that is an indication that the rise in food prices has not been related to any significant increase in the income of primary producers.

• (2120)

There are a number of areas that I think the committee should look into. Last September the Minister of Finance (Mr. Turner) made some statements on this subject and I hope the committee will call upon him to support them. The committee should also ascertain what portion of food costs encompasses transportation costs; how much freight rates contribute to rising food prices.

The committee probably would not be in a position to make a great number of recommendations within 60 days, but during the life of the committee I hope they will make