

Increased Cost of Living

Let me explain this matter to you so that you may know what price you will have to pay if we do as you want."

I suggest that that is the attitude responsible politicians should take to the question of wage and price controls. If you adopt an irresponsible attitude when you know the price that must be paid, but keep quiet and simply feed on the fears of our people, you are not serving society. Even if an election were to be won on that basis, it would be a Phryrrhic victory for the people involved.

Some hon. Members: Hear, hear!

Mr. Saltsman: Recently the government of a country not far from our own embarked upon that kind of program in order to win an election, and the people of that country are now paying for it. I hope the people of this country will not have to pay the same kind of price.

Mr. Speaker: Order, please. I ought to bring to the attention of hon. members that there are just about 40 minutes left before the end of this debate. I notice that three hon. members seek the floor, the hon. member for Lisgar (Mr. Murta), the hon. member for Joliette (Mr. La Salle), and the hon. member for Rimouski (Mr. Allard). I hope that, perhaps not necessarily as a result of any formal agreement, there might be an understanding among hon. members on limiting the length of their speeches so that we may bring these three distinguished participants into the debate before ten o'clock.

Mr. Jack Murta (Lisgar): Mr. Speaker, I will endeavour to adhere to the guidelines you have laid down. I should like to speak mainly about farm prices. Food prices have been news in the House of Commons ever since we came back here some months ago. There has been criticism on all sides regarding the rising price of food. As a result of the clamour, a food prices committee was set up. Up to the present that committee has not done much other than recommend the setting up another board. I feel that the kind of proposal the Conservative party has put forward today is workable. This may be very different from what many members of this House think but I believe that, properly explained, this kind of proposal will be accepted by the Canadian people. It is certainly something that is needed. Voluntary controls or restraints up to the present time just have not worked.

● (2120)

Agricultural policy is implicated in the government's failure to deal with inflation. A good many members from all sides of the House spoke this afternoon and this evening. The Minister of Agriculture (Mr. Whelan) should be expected to do the same. Inconsistent and irresponsible statements by various members do not take the place of policy. Our policy is clear. It has been enunciated by a good many members. It is that a 90-day freeze on wages and prices would cover wholesale and retail food prices but would exempt food at the farm gate.

The freeze was never proposed as the stabilization program. It is simply to be the first step. Apart from the effect that such a dramatic step will have in suppressing inflationary expectations, its main purpose is to provide the necessary time to consult the provincial governments, business and labour to devise an equitable, efficient and

[Mr. Saltsman.]

effective stabilization plan and to develop the organization required to carry out such a plan. During the time the stabilization machinery is being set up, a prices and incomes standstill will prevent any groups taking advantage of increasing their income.

The nature of the freeze has been spelled out quite clearly. It will apply to all incomes, wages, salaries, rents, dividends, fringe benefits and all prices, including interest rates. Only food at the farm gate—I will deal with that in greater detail later—because of the difficulty of counter-productiveness of control would be exempt from such a freeze. Price or income increases scheduled to take effect during the freeze in that case would have to be postponed. The phase to follow the standstill cannot be clearly spelled out, as many members have asked. For one to do so before the stabilization program is put into effect would be to invite pre-emption. For another, since success of the plan will depend on the support of other levels of government and on business and labour, these groups will have to take part in developing the program. Whatever the exact form phase 2 might take, however, there are certain principles which the Conservative party feels should be adhered to.

For the stabilization program to succeed in controlling prices it must be comprehensive. At the same time, this goal should be achieved without creating a massive bureaucracy. It will, therefore, rely heavily on voluntary compliance and co-operation. Such co-operation will not be forthcoming unless the guidelines are reasonable, consistent and equitable. This means that because of changes of weather or the market some prices are particularly vulnerable and this fact should be taken into account. The guidelines must not place any group of the economy at a disadvantage in relation to others, and some flexibility in the income guidelines should be entertained so that low-paid workers will not suffer unduly.

In summary, Mr. Speaker, the following increases in the past 12 months are not acceptable; they cause a real, not a psychological hardship. Vegetables have increased by 22 per cent, poultry by 21 per cent, eggs by 43 per cent and milk over 10 per cent. It must be realized that these increases are not the fault of the primary producers and will not provide a sustained base for establishing a decent income for the average producer. In the past ten years retail food prices have increased by 33 per cent, while farm prices have increased by less than 16 per cent. The producer only receives approximately 40 per cent of every dollar spent by the consumer on farm products.

Comments made by the Minister of Agriculture on this matter are divisive. They are not in the true interest of the producers of this country whom he says he is trying hard to help. First, in the comments he has made he has invited consumers to blame the farmers for high food costs. Second, he suggests that the farmer wants to put his burden onto the backs of the poor. This is not true. Third, in his speeches in this House and in what he has said outside the House he has implied that accelerating retail prices will provide the answer for the producer while the bulk of that increase will go to everyone else.

Our policy is in the best interests of the farmer at the present time. First, it is a national policy. It is a policy that can and will be supported by the whole community, including the housewife. Second, it addresses itself to the