

Also speaking in respect of chain stores, so long as we have fierce competition between Loblaws, Steinbergs, A & P, IGA, Dominion and others we do not really need to fear excessive profiteering. These same food chains, by the very efficiency and size of their companies, have materially contributed to stable food prices in the last few years. In concluding my comments to the NDP may I reiterate that a company exists to make a profit. The average man wants to work for a profitable company. Let us not try to continually make "profit" a dirty word.

Let me now dwell for a few minutes on the situation in the United States. We must consider it obligatory to watch and learn from the experience of other countries. The experience of Britain and the United States is surely such that we can learn from their mistakes. The following relevant comments come from the *U.S. News & World Report*:

—American companies are embarked on a vast program of expansion and modernization, placing orders in record amounts for machinery, office equipment, trucks, and new factories and offices. Those demands come at a time when industry is loaded with unfilled orders and when shortages of skilled manpower, materials and productive capacity are spreading. That's a situation, economists point out, that naturally fosters higher prices.

From the same article I read the following:

Around the world, foreign nations, whose economies are booming, are bidding against the U.S. for raw materials that are increasingly difficult to get—copper, rubber and tin, jute and hemp, lead, zinc and iron ore.

Still later in the article it is stated:

—"56 per cent of the over-all wholesale-price index is set in world markets," so that, in a sense, the U.S. is now "importing some inflation" from other nations where pressures under wages and prices are even more intense than there.

The United States is a country of 200 million people. Is there any suggestion that we in a country of just 20 million people cannot be affected by these same pressures? The article continues:

"The poor anchovy catch off Peru has been disastrous"... "If anchovies—an important animal feed—don't show up somewhere (the U.S.) may be in for years on inflation of soybeans."

Let me read additional comments concerning the situation in the United States:

Baby chickens were being slaughtered by the hundreds of thousands by producers who said they would be unable to get enough money for chickens at market weight to cover the rapidly rising cost of feed.

In the next column of the article it is stated:

The spectre of widespread shortages of steaks, pork, chickens and eggs in the months ahead was raised, in turn, by one major American producer of livestock meal. Cost of this basic animal food was said to be rising too high for the processor to sell it under present ceilings.

Processed fruits and vegetables appear to be facing the same price squeeze. Canners are just now starting their packing season, and find prices of raw fruits and vegetables up sharply because of smaller crops caused by bad weather, while retail prices are frozen at last year's level. Inventories of can goods are far below normal because of increased demand.

Later the article reads:

Controls which hold prices below the levels which market conditions would otherwise generate for any sustained length of time are bound to create shortages, and thus the necessity for some

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means of rationing to substitute for the rationing function normally performed by prices in a free market economy such as ours.

An hon. Member: Maybe they will renew your subscription.

Mr. Herbert: Maybe they will give you one free. Any government of this country that did not avail itself of the experiences of other nations would be negligent to the extreme. The Tory party should now tell us what are those magical measures it would introduce after its 90-day think session. I suggest it would be another 90-day think session.

One answer is clear. One encourages increases in production of all items in short supply. This week we bought 25 pounds of tomatoes for \$1. I wish we could live on tomatoes. We were able to buy 25 pounds of tomatoes for \$1 simply because there has been a good harvest and an oversupply at the present time. Secondly, we should try to get help to those most in need, the pensioners and those with large families. Help is being provided to the elderly by way of the increase in old age pensions and to large families by the increase in family allowance payments. It is interesting to note that only one-quarter of our old age pensioners draw the full supplement; that is, only one in four over the age of 65 has no income whatsoever. Almost half of our senior citizens have incomes which make them ineligible for supplementary payments. This is a statistic of which the elderly citizen can be proud. For those on welfare, the provinces who religiously guard their jurisdictions are being encouraged to increase welfare payments, with the federal government picking up 50 per cent of the tab.

In housing, I am keenly watching the use that is being made of the various measures introduced by the Minister of State for Urban Affairs (Mr. Basford). Excellent assistance programs for homes for the elderly and low-interest loans for low-income families have been adopted. Is there going to be extensive use of these programs?

I have listened to the tirades of Her Majesty's Loyal Opposition, but I have learned very little.

Mr. Alexander: You have only stolen about 40 per cent of their policies, that's all.

Mr. Herbert: If one thing is needed at the present time, it is emotional control. I believe the government has sensibly avoided responding to what could be termed a popular move—an incomes and price freeze. This in itself has taken guts in a minority government position. The motion before the House deserves a clear and resounding nay.

● (2100)

Mr. Alex Patterson (Fraser Valley East): Mr. Speaker, I am sure that every hon. member in this House is aware of the fact that we are now engaged in one of the most important and urgent debates we have faced in this parliament. The problems that we are confronting in Canada—and not only in Canada—are such that they require the intensive application of the mental capacities of every member and all other agencies throughout our country. This is necessary if we are to solve this great problem that we have been discussing today, namely, inflation.

It is the inability of the great masses of the people of Canada to obtain, not the luxuries that are available to the