

Food Prices

tion singles out food for special treatment and ignores many of the other consumer items that Canadians must have and pay for. I refer to rent, various non-food items, appliances—a whole range of consumer products that are necessary in the day to day lives of Canadians.

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In case hon. friends to my left have not seen fit to review the evidence that was presented to the committee, let me review some of it for them. I think it is interesting to draw on some of the briefs and try to make use of some of the material presented to the committee during the hours of hearings that were held twice and three times a week in January, February and March. The Canadian Food Processors Association had this to say.

Mr. Benjamin: What do they know about it?

Mr. Atkey: They know more about food than the hon. member does. They said in their brief:

—it is our opinion that it is wrong to single out food prices as the prime cause of the inflationary trend in Canada. To set up a mechanism to control the price of food without establishing controls for wages, raw produce, packaging, supplies, and all other cost components, would lead to disaster for the food industry.

The inflationary trend is evident in all areas of the Canadian economy, and price controls over all commodities and services, including rents, dividends, interest, taxes, profits, and government expenditures, would be necessary to completely control inflation.

That is our position, Mr. Speaker. In case hon. members doubt the wisdom of that particular source, let me quote Dr. Sylvia Ostrey of Statistics Canada who is, perhaps, a more neutral source. At page 12 of her brief Dr. Ostrey says this:

—in the longer term the price increases faced by consumers for foodstuffs have been reasonably similar to those which relate to non-food elements in the family budget—

Hon. members may recall that Dr. Ostrey went back to the year 1961 and indicated that “since 1961 there has been a rise of 47.1 per cent for food and 41.7 per cent for non-food. Since 1967 the advances have been 25.8 per cent and 27.0 per cent respectively.” I submit that this is ample evidence that concern for the cost of non-food items should be equally as great as that for food items, and this is where the committee in its majority report recommendation No. 1 missed the boat.

In case hon. members require further evidence, let me refer to the brief of the Grocery Products Manufacturers. At page 5 that organization referred to the increase in wage rates. They indicated that hourly wage rates were going up by 23 per cent more than the increase in the price of food, and something like 21 per cent more in terms of the increase in the price of non-food items. Wage rates—I am referring to take-home pay—increased substantially more than the cost of non-food and food items in the total cost structure of our economy.

The Progressive Conservative party has proposed that there be a temporary, 90-day freeze on prices and incomes in order that the federal government might have an opportunity to meet with the provinces, business, consumer groups and labour to work out, on a co-operative basis, without dictating the terms, a viable cost stabilization program. No one is going to dictate the exact terms of this program at the present time. The 90-day freeze would be

[Mr. Atkey.]

federal action which is required in emergency circumstances, a situation that hon. members know exists in view of the inflationary rates in our society today.

If hon. members to my left require further legitimate evidence of the necessity for a freeze, let me refer them to the brief submitted by the government of Manitoba, a New Democratic Party government, and in particular to the words of Premier Schreyer. He said this in the brief which was submitted to our food prices committee:

Obviously, controls would be an extreme step, and we recognize of course that they could only have a limited duration. Nevertheless, they would provide a temporary, partial solution to the problem of price increases while both federal and provincial governments formulated plans for dealing with this situation over the long term.

Those are the words of the Premier of the New Democratic Party government of Manitoba, which perhaps is a little more enlightened than the members to my left. With regard to the 90-day temporary freeze on wages and prices, let me make a final reference to the brief presented by the Canadian Manufacturers' Association, a neutral body, as hon. members opposite are well aware, which has been taking stands on matters of great economic import in this country.

The Canadian Manufacturers' Association told our committee that “in certain circumstances a system of wage-price controls may become a necessary short-run expedient, despite their very real shortcomings and dangers,” which we acknowledge. “The circumstances would involve a rate of inflation in Canada”, the association said, “which is clearly and persistently in excess of the rates in our major competitor nations, principally the United States, to the extent that a national emergency is demonstrable”. The association went on to say that “the major purpose of controls in such circumstances would be to declare a national moratorium on inflationary expectations, and during their term to implement other measures needed to attack the causes of inflation”.

With respect, I think that the position taken by the Canadian Manufacturers' Association is a reasonable one, one that shows some concern for the inflationary rate existing in society today. It shows that a degree of caution must always be exercised, and exhibits a certain wisdom regarding the present state of affairs in this country.

Should hon. members require further evidence as to the actual level of inflation in this country as compared with the country to the south of us, and as to whether or not we are approaching an emergency situation, let me refer to comparative increases in the consumer price index. Let me take, for reasons which will become obvious, the year 1971 and particularly the month of August. The month of August, 1971, was when phase I of the economic stabilization program of President Nixon of the United States was instituted. Prior to the introduction of that program the annual increase in the consumer price index for all items in Canada was 3.4 per cent; in the United States it was 4.4 per cent, slightly higher. In February, 1973, a substantial period after the introduction of phase I, the annual increase in the consumer price index in Canada was 5.8 per cent, whereas in the United States it was only 3.9 per cent.