

Increasing Food Prices

member for Parry Sound-Muskoka (Mr. Aiken) referred to citation 203 of Beauchesne's Fourth Edition and I would like to refer to paragraph (3) of that, which reads:

An amendment setting forth a proposition dealing with a matter which is foreign to the proposition involved in the main motion is not relevant and cannot be moved.

Some hon. members have argued that the motion and the amendment deal with the question of food prices, but where I feel the amendment is irrelevant and why I cannot accept it, is that the change of tribunal which I have referred to and the removal of the question of supermarket profits would both be substantive changes.

• (1630)

[Translation]

Mr. René Matte (Champlain): Mr. Speaker, the motion before us refers to something everybody knows.

The problem of steadily rising food prices is seriously affecting the standard of living in Canada. We all regret the fact, but nobody will do anything, and especially not this government whose inconsistent policy makes the situation even more complicated.

Food is an essential need. Rich or poor, whether living in a city or in the country, we always have to eat in order to survive. Therefore, a so-called just society must make food products readily accessible to all people.

All individuals take part in some way or another in production. They are fully entitled to get food at reasonable prices. Systematic exploitation on the part of unscrupulous dealers cannot be tolerated in that field. In a country such as ours, where food resources are inexhaustible, it is inconceivable that thousands of citizens should find it so hard to eat adequately.

What is lacking? Meat, cereals, vegetables, fruit, in short all foodstuffs are in plentiful supply. Instead of letting taxpayers enjoy the generosity of Divine Providence, we think up all kinds of ways to give producers a bad time, allegedly to reduce production and maintain prices. Western grain producers as well as Quebec milk producers could say much about that. To pay the farmers of an area so that they will not grow wheat and penalize others for producing too much milk, that is a policy both wrong and stupid.

Before talking about real surplus, let us begin by providing all Canadians with good food in abundance. Then, should there be a surplus, let's share it with the have-not countries where thousands of human beings die from starvation every day.

We say again and again that the problem in this country is not one of production but rather of purchasing power. We could even state that the cost of food products would be immaterial if every family had the necessary income to buy them. In other words, the minute we understand that an adequate economic policy must be directed towards perfect balance between production and consumption, the problem will be settled.

In this intricate and artificial system to which we are now subjected, unfortunately there is room for all kinds of abuses. As pointed out in the motion introduced by the hon. member for Vancouver-Kingsway (Mrs. MacInnis), "supermarket profits have increased simultaneously at an

[Mr. Deputy Speaker]

unprecedented rate". Everywhere swindlers are at work. Under any pretence, the prices will be boosted. And all that, mainly in order to boost profits.

Those are not gratuitous arguments. Just analyze the huge difference between the producer's cost and the consumer's price. For example, pork producers get about 30 cents a pound whereas consumers pay from \$1 to \$1.70. This difference is much too considerable: it means a gross profit of about 500 per cent to the middlemen. So no wonder pork producers are subsidized while corporations such as Canada Packers, for instance, are making net annual profits of \$15-odd million.

I quite agree that these matters are of nation-wide concern and should be referred immediately to a special committee of this House for investigation and report by June 26, 1972, as suggested in the motion. But we will meet with very little success unless we define more precisely the actual reasons for current problems.

All kinds of reasons are used to oppose our suggestion of balancing production and consumption by increasing the purchasing power. Some horrified people even tell us: This would mean inflation! For goodness sake, let us agree on the meaning of words and let us know what we are talking about.

During a television program a dogmatic economist defined inflation as an immoderate increase in prices caused by disproportionate supply and demand, the former being unable to meet the latter. In other words, too much money chasing after too few goods.

Well, a representative of the Quebec Department of Industry and Commerce—the same thing could probably have been seen in the federal government—replied to the traditional economist that his definition did not correspond to reality. Tradesmen do all they can to try and sell; manufacturers have to curtail production; they devise programs to keep their employees, who are threatened with unemployment and who rely on their unions for protection through a guaranteed pay.

There is no inflation in Canada. The economist, who has both feet in business, proves it. However, effects similar to traditional inflation—rising prices—are partly imported from other countries and partly due to a pyramid of interest which citizens have been paying for 20, 30, and 50 years on public development, a pyramid made of taxes which are included in the price of goods. The result is a rise reflected in salary increases, and it is still a vicious circle.

• (1640)

On the other hand, the living-room economist, sitting with his feet up on his desk, *doctus cum libro*, reasons on the basis of principles developed centuries ago while the economy was one of deprivation, when everybody had to work for 10 or 12 hours a day. Every craftsman or professional had to get part of his food or his clothing out of the earth himself. In order to reduce inflation, such economists only create unemployment, which gradually forces people to go on welfare. An increase in taxes and salaries then follows, and the same vicious circle starts again.