

ments, has now strengthened the role that this committee should play; I think that is important.

• (1600)

What has brought this issue to a head? Some interesting facts were pointed out in the *Gazette*. For example, the bag of groceries that the housewife bought in December cost her 8.6 per cent more than it cost a year ago, thus squeezing the family budget and eroding the purchasing power of those on fixed incomes. The hon. member for Skeena (Mr. Howard) has referred to the situation faced by many people on fixed incomes when they buy food. Indeed, many of them have no incomes at all, and to them a steak is a slice of bologna. In this nation of so much wealth and possibility, these are questions that ought to be examined by the committee and some answers to them brought forward.

Then, we have the corporate side of the food industry. Supermarkets state that their profit range is less than 1.5 per cent of sales. However, they neglect to point out that profit on investment is closer to 11 per cent. We are used to hearing these kinds of figures from the old line parties, but we are not used to hearing these kinds of figures from the food industry—that is, unless you are a farmer, in which case you have been hearing them for years. A profit of 11 per cent is more the kind of tune they should be playing.

Let me give some further information about the corporate side of the food industry. In 1966, five corporate chains controlled more than 75 per cent of the grocery business in urban areas, and since then that control has been increasing all the time. During this debate reference was made to the termination of the investigation that was made in 1967. My family has been involved in the food industry, either as a producer or as a small retail operator, for quite a long time and could tell a lot about the corporate interests in this country, as well as what has happened to small businessmen as a result of the growth of large corporations. We have seen chain store after chain store built on every corner of every street, almost to the point where they are like garages. What a waste of capital expenditure.

In the city of Weyburn there is a co-operative which does offer some competition to the monopolies. There is also an OK Economy store and a Safeway, and there is not a block between the three of them. The co-op does very well and I believe that Safeway does very well, but the OK Economy store might as well have never been built. This is an illustration of waste and it is the sort of thing the committee should examine to determine the best use of capital by large chain stores.

In one part of the food processing industry one firm controlled 100 per cent of the market in the Maritimes and western Canada and 80 per cent of the market in Quebec and Ontario. What does this kind of control do to prices, Mr. Speaker? It allows monopolistic capitalism to set the price that the consumer pays and which the producer receives for his commodity. I assume that the two old line parties call this free enterprise, but to me it is the kind of free enterprise that is free only for those who can gouge.

I have already referred to the domestic price of wheat and how it is affecting producers in western Canada. We

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have had the Lift program and Lord knows what other kind of programs offered by this government which have been let-downs. I remember the hue and cry on the part of some members of the opposition in this House at the small farm development program, yet two Tory governments were the first to participate in that program.

In 1972 the farmer, particularly in the west, was simply getting to the position where he should have been in terms of income. This committee should examine with real seriousness farm income and how it relates to the price of food. How many realize that only one and three quarter cents of a 30 cent loaf of bread goes to the producer? I include the three quarters of a cent since the price of bread has risen on the world market, though the millers are still paying \$1.95½ per bushel for wheat. Let me use as a further example the price of another product. A 48-ounce can of apple juice sells today for 40 cents. Do you assume, Mr. Speaker, that the producer gets 20 cents of that 40 cents? No, Sir, he does not. Would you assume that he gets 15 cents? All he gets, Mr. Speaker, is seven cents of that 40 cents.

The average return on an acre of land in western Canada during the last five years does not even amount to \$1, which would produce a net income of \$640 per section. The net return is not even 50 cents, it is a mere 44 cents an acre. This is an atrocious situation in terms of trying to keep farmers on the land and illustrates the problems faced by producers. In 1949 the net income of a farmer was \$1,383. By 1971 it had climbed a little and had reached \$1,570. If an individual can look at those figures and fail to recognize that there have to be some fundamental answers to the problems facing producers, then he cannot see beyond his own nose.

Cash receipts received by western farmers in the year 1951 amounted to \$694 million. If I may go back to 1949, the total was \$682 million. Instead of increasing in step with the rest of the economy, these cash receipts had dropped to \$533 million by 1969. In 1970, they totalled \$570 million and in 1971 \$575 million. No producer can get fat off the land with a return like that. As I say, the committee ought to examine what is the farmer's share of the food dollar in relation to the price paid for his commodities by the consumer. The committee should examine the whole question of pricing in the large urban centres. In a certain end of the town when it is known that the workman is buying hamburger, bologna or other cheaper cuts, the prices are increased. At the other end of the town where the more well-to-do people live—

• (1610)

**An hon. Member:** The Conservatives.

**Mr. Knight:**—the food prices remain the same. Another matter the committee should examine is the relationship between the price the farmer receives for his commodities and the cost of production. When people say that the price of food has increased, in terms of what the farmer is receiving,—and I am not talking about retail prices—they never examine the cost of the various items connected with production such as the price of farm machinery which is skyrocketing, the price of fertilizer which increased \$10 a ton in one week or the gouging in respect of land in western Canada which is the greatest it has