

Proceedings on Adjournment Motion

and the Weston companies have secured, the combines investigation director turns a deaf ear, the excuse being that the Batten commission did not prove its case.

I wish to cite just one more carefully documented set of conclusions from the Batten report, which ought to convince the Combines Director as it does the Canadian consumer of the need for government action. I quote:

Taken together, excess profits and costly excess capacity reduced consumer well-being by \$61.28 per family of four in 1966. This is an extremely large loss when it is recalled that the gross margin of retail grocers is only 15 per cent to 20 per cent which means that retail grocers render only about \$190 to \$250 of service per family of four each year—

A further loss in consumer well-being occurs through advertising, and again I wish to quote the words of the commission report:

Without judging what is excessive, it may be noted that at present grocery advertising costs the average family of four \$14.80 on the groceries it buys.

How much more evidence is required before the Department of Consumer and Corporate Affairs moves to protect prairie consumers? It seems to me that if further convincing evidence is required the director should be in a position to live up to his title and conduct the sort of investigation and research that will convince him of the truth of the facts cited in the Batten commission report. In his own report the director shows uneasiness about the whole prairie grocery retailing situation, in these words:

However, while the corporate chains by no means have the field to themselves, a few of the largest ones have a degree of economic power in some regions which calls for vigilance by public authorities.

My question, Mr. Speaker, was this: In view of the decision not to prosecute, what measures is the branch or department taking to deal with this situation? I await the minister's reply with interest.

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): Mr. Speaker, in three minutes it is impossible to deal completely with all the recommendations of the Batten commission. I wish to make it clear that the director's annual report commented on the evidence and recommendations of the report. It said that these recommendations and evidence did not constitute grounds for a prosecution under the act.

The hon. member for Vancouver-Kingsway mentioned a few of the points that were [Mrs. MacInnis (Vancouver-Kingsway).]

brought out in the Batten report, and perhaps I might deal with them. It may be that there is an alleged overbuilding and underutilization of stores in some prairie cities, but fortunately or unfortunately, that is not an offence under the Combines Investigation Act. The Batten report commented on the building of luxurious stores. That may or may not be the case. But, in any event, that is not an offence under the Combines Investigation Act.

The Batten report talked about costly advertising campaigns; and again, rightly or wrongly, expensive advertising campaigns are not offences under the Combines Investigation Act. The evidence in the report, and this is really what the director was saying, did not justify an inquiry or a charge under our Combines Investigation Act.

I am glad the hon. member quoted from that part of the director's report where he expressed uneasiness about conditions on the prairies, and where he said that the situation required and would receive continued vigilance on the part of public authorities. That vigilance has been exercised and is being exercised by the combines branch. The branch conducted a thorough study of concentration in the food industry in 1959. It has followed up that work and made it clear that it would continue to study concentration in the food industry across Canada.

The hon. member served on the joint Senate-House of Commons committee of which I was co-chairman. It was concerned with this question, and following the recommendation which was made by that committee the branch has been continuing its studies and its policy of vigilance in this field, not only on the prairies but in the whole of Canada. In the press release accompanying the director's annual report I revealed that this vigilance had been exercised and was resulting, for example, in an examination of predatory pricing practices by one of the major chains in one of the prairie cities.

What we are saying is that the evidence presented in that report did not justify a charge. The branch and its officials are maintaining within the limits of their resources surveillance of conditions on the prairies and throughout Canada, and when evidence is presented to them justifying a charge under the Combines Investigation Act a charge will be laid, as charges have been laid in the past.

Mr. Deputy Speaker: I am sorry, but the minister's time has expired.