

*Food Prices Committee*

Again, closer to home, there have been weather problems in wide areas in Canada and also in the United States. The effects of these difficulties become clearly evident to the housewife when she comes to buy vegetables and fruits, as well as to the farmers whose crops have been affected.

I have described some of the more dramatic developments on the farm front of the very recent past. These have contributed to the rise of 8.7 per cent in the wholesale price index for Canadian farm products that occurred between November 1971 and November 1972. But it must be remembered that, while farm incomes have increased substantially in the last year, they have not kept up with increases in incomes in other sectors of the community over the last decade or more.

Farm prices are only one factor in food prices, and the proposed committee will, I am sure, devote much and perhaps more of its attention to processors' and retailers' margins. In considering processed foods, we have to keep in mind not only the increases in the prices that manufacturers pay for raw agricultural products, but also changes in prices of the other materials they use. Labour costs are also a factor. I am sure that the committee will also want to look into the question of profit margins.

Those of us who look at food prices primarily as consumers should recall that many of us nowadays want to buy potatoes, for example, peeled, sliced and fried ready for serving. Obviously, the more convenience foods that are bought, the higher the cost of the consumers' grocery order. This brings up the important question of the expense to which expenditures on packaging, advertising and promotion are sufficiently to the benefit of consumers and to what extent further action, if any, should be taken to see that their interests are more fully taken into account in operations in the food industries.

These have been some of the relevant factors which will likely be of interest to the committee and which they may therefore want to look into. In summary, the factors include such matters as to what extent poor yields both at home and abroad have affected the price of agricultural products; the cost elements affecting margins of producers, processors, distributors and retailers of food, and their profit margins. I have also mentioned the implications of the growing use of convenience foods, and the question of the effects of expenditures on packaging and promotion. I am sure, therefore, that the committee will be interested in looking generally into the cost elements and profit margins affecting prices to producers, processors, distributors and retailers, all those making up the food system chain.

• (1510)

If this motion has the support of the House, the committee thus created will have wide authority to examine witnesses, to obtain the assistance of expert staff and finally to inquire into and make recommendations with regard to trends in food prices and the factors which account for them.

In concluding, Mr. Speaker, let me say that I will look forward to having an opportunity of appearing before the committee to provide it with further information on the matters referred to it once it begins its work. I will also

[Mr. Gray.]

look forward to hearing with interest the points to be made by hon. members during the course of this debate, and I will attempt to respond to them when I speak at its closing. I am sure the recommendations of the proposed committee can be most useful in dealing with the serious issue of current trends in food prices, a matter of concern to the government and to the Canadian people generally. I, therefore, urge the speedy adoption of this motion.

**Mr. Stanfield:** Would the minister permit a question, Mr. Speaker?

**Mr. Gray:** Yes, Mr. Speaker.

**Mr. Stanfield:** Mr. Speaker, I should like to ask the minister whether he would make available to the committee, when and if this motion is passed and it is established, all the memoranda, documents, reports and studies which may have been prepared by or on behalf of the Prices and Incomes Commission on food price increases, or indeed any related matter on which the committee may request information?

**Mr. Gray:** Mr. Speaker, a number of studies by the commission have already been released. I will be pleased to examine the extent to which further information based on the work of the commission can be provided or presented to the committee when it is established, as I hope it will be.

**Mr. Gilbert:** Mr. Speaker, in view of the time it will take the committee to hear the evidence and make either an interim or a full report, I should like to ask the minister whether he intends to take any immediate steps, either legislative or otherwise, to curb the high cost of foods?

**Mr. Gray:** Mr. Speaker, if such steps are to be taken they will be announced once a decision is made. Any other course of action would not be to the advantage of the Canadian consumer. I do hope the House will pass the motion before it as soon as possible, so the committee can make a prompt report and its recommendations can be taken under active consideration by the government.

**Mr. Allan Lawrence (Northumberland-Durham):** Mr. Speaker, like the hon. minister, I will certainly not take up my full allotment of 40 minutes. I hope to be brief and I hope to be a lot sharper than he was.

**Some hon. Members:** Hear, hear!

**Mr. Lawrence:** In the answer to the question by the hon. member for Broadview (Mr. Gilbert) I hope you noted the very small word with the very big meaning at the beginning of the answer. He said that "if" any action was to be taken by the government it would be announced in the House in due course. In light of what the minister has said, and in light of this being the only action the government has proposed, indisputably the government is mentally totally barren of any solution to the inflationary crisis in which we find ourselves today.

**Some hon. Members:** Hear, hear!

**Mr. Lawrence:** There have been no worthwhile and no specific measures laid before this House, Sir. There have