

• (2210)

[English]

CONSUMER AFFAIRS—INCREASE IN COST OF FOOD—  
REQUEST FOR INVESTIGATION OF CAUSE

**Mrs. Grace MacInnis (Vancouver-Kingsway):** Mr. Speaker, on a number of occasions recently I have questioned the government about the matter of rising food prices and rising chain store profits around the central fact that between April 1, 1971, and April 1, 1972, the cost of food used in the home rose by nearly 7½ per cent, twice as much as the cost of living generally, while at the same time the profits of supermarket chains also rose in spectacular fashion. For example, Safeway's profits rose by 40 per cent in the first three months of this year, the profits of George Weston rose by nearly 50 per cent and the profits of Dominion stores by 300 per cent.

My first attempt, on May 10, was when I asked the Prime Minister (Mr. Trudeau):

Will the government undertake to make an investigation to see whether this increase in the cost of food is due to inordinate mark-ups by supermarkets or excessive profit-taking by canners and processors of food?

The Prime Minister replied:

Mr. Speaker, I will certainly see that the suggestion of the hon. member is studied. However, I might say that according to our statistics the gain was in line with the March-April changes in the past five years—

This answer certainly was very courteous but it did not satisfy me, nor did it satisfy the many people in Vancouver-Kingsway who have been having a desperately hard time to keep up with the cost of living in their food budget. So on May 17 I asked the Acting Prime Minister, who on that day happened to be the Secretary of State for External Affairs (Mr. Sharp), whether the government had measures in hand to help low income consumers, to which the Acting Prime Minister replied:

Mr. Speaker, the government has taken many measures of particular interest to low-income families, the aged and the disabled. I think the hon. lady will agree that this should be our first priority.

This, again, was a courteous but unsatisfactory answer. I pointed out that only two groups of people benefited from the budget—the elderly and full-time students. Again I asked whether the government would investigate immediately food prices in this country, and the reply of the Acting Prime Minister was a firm no. So the next day, May 18, I tried again. I asked the Minister of Consumer and Corporate Affairs (Mr. Andras) if his attention had been drawn to a study by a professor at Simon Fraser University and his students which found that supermarket chains are masters of the illusionary pricing technique and often control products from farm to store shelf to the detriment of the consumer, and would he consider making a grant available so that this booklet could be widely distributed across Canada.

The minister promised to examine my remarks and the booklet with great interest. Again, this courteous reply was not helping families with their food budgets, so again I asked if the minister would conduct an investigation into the control by supermarkets of products from farm to grocery store shelf. At this point the Chair ruled that I was out of order. So on May 23 I made my fourth attempt

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by trying to secure the unanimous consent of the House under Standing Order 43 to move a motion as follows:

That the matter of food prices and supermarket profits be referred to a special committee of this House for investigation and report.

As Your Honour knows, I did not get unanimous consent; a chorus of "noe's" came from the other side of the House, the government side. So tonight I am asking the government once again to please answer my question favourably: Will they conduct an immediate inquiry into rising food costs and rising supermarket profits?

**Mr. Barnett J. Danson (Parliamentary Secretary to Prime Minister):** Mr. Speaker, I am pleased to respond to the hon. member for Vancouver-Kingsway (Mrs. MacInnis) both courteously and, I hope, satisfactorily on this occasion although I do not expect she would be in character if she were satisfied. I question her misreading of the budget, that it helped only the elderly and students. I think the hon. member would want to include veterans also and all those Canadians who will benefit from a growing, prosperous economy.

First of all, Mr. Speaker, the combines investigation branch of the Department of Consumer and Corporate Affairs is keeping a watching brief on the situation. There has been no evidence of violations under the Combines Investigation Act, but the branch is ready and has the powers to act, indeed is required by law to act, if there are reasonable grounds for suspicion that there is a violation under the combines act. I would urge the hon. member for Vancouver-Kingsway to bring forth any evidence or indication of violations that she has, so that such action can be taken.

I believe, Mr. Speaker, that it would help to put things in perspective if we were to look at the record. As the hon. member is well aware, in late 1970 and early 1971 there was a price war among supermarket chains, particularly in eastern Canada, with a consequent severe effect on the profit of the chains. The hon. member's party might not think that profits are a significant factor, but I do not consider them evil so long as they are in line.

In the first quarter of 1972 there was a substantial increase in profits simply because they had declined so much in the previous year, and we could find no evidence of profiteering. An example might be Dominion stores which the hon. minister said had a profit increase of some 300 per cent. Their year end, I believe, is mid-March and the figures I have would indicate that their percentage of profit on sales dropped from 1.4 per cent in 1970 to .4 per cent in 1971, and then rose to 1.0 per cent in 1972 according to their recent year end statement. In 1967-68 it was 1.7 per cent, so I hardly consider this an extravagant increase in view of the fact that it was lower than before the price war. They have just recovered to the previous level. Other supermarket chains have had a similar experience. Total dollar profits have increased, there is no question about that, but sales have increased substantially—

**Mr. Bell:** How about babysitting; has that gone up?

**Mr. Danson:** I would be delighted to continue because I think the hon. member deserves not only a courteous but a satisfactory answer. We would be more than pleased to