

Senate deems it advisable, some of its Members to act on the proposed Special Joint Committee.

He said: Mr. Speaker, because of the interest which is being taken in this notice of motion, I do not think it is necessary for me to speak at any undue length in support of it. I want to begin by pointing out that in the Speech from the Throne the government confirmed the high priority it assigns to the economic policy of the area—to reduce unemployment, contain inflation and strengthen our economy generally.

The government's position with respect to rising food prices is reflected by the statement in the Speech from the Throne that, and I quote,

... the government is determined to contain inflation in Canada, to protect the purchasing power of the Canadian dollar in the hands of the Canadian people and to protect Canada's position in world trade.

I think it is important to bear in mind the fact that this matter is a world wide problem to which no country has yet found a complete and final solution. This is indicated by the behaviour of consumer price indexes for the major western countries. Between September 1971 and September 1972, the over-all consumer price index for Canada increased by 5.3 per cent. Performance in the United States and Japan, where consumer prices increased over the period by little more than 3 per cent, was better than in Canada. But in France, Germany and Italy, consumer prices rose by over 6 per cent, and in the United Kingdom and the Netherlands they rose by 7 per cent or more in the year ending last September—the latest dates for which comparable figures were available.

The recent tendency for food prices to rise more than prices of non-food items is also world wide. As of last September, the Canadian food price index was up over the year by 8.3 per cent, a figure matched in the other countries I have mentioned only in France. The increases for other countries amounted to 8.1 per cent for the United Kingdom, 7.5 per cent for West Germany, 7.2 per cent for Italy, 5.6 per cent for the Netherlands, and 4.8 per cent for the United States.

The government is watching closely the trends in food prices here and abroad, as well as steps being taken by other countries to meet these problems. As the Prime Minister (Mr. Trudeau) mentioned in the House the other day, the advisability of instituting controls is constantly under review and work has been going on with respect to contingency planning in this area.

In considering the food price problem we should remember that the United States authorities, for example, have at no time during their experiments with price and income controls considered it practicable to impose controls on raw agricultural products. They have had controls only on processors' and producers' margins. There are indications also that a price war among food retailers in the United States has been another factor. In any case, the United States performance in the food sector does not match what it has achieved in other areas.

The upsurge in food prices in Canada is of fairly recent origin. On a long term basis, food prices at retail in Canada have risen at rates comparable to consumer prices in general, as measured by the consumer price index. Over the last year, on the other hand, food prices

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have risen more than twice as much as the average of prices for non-food items in the consumer price index. In statistical terms the increase in food prices from December 1971 to December 1972 was 8.6 per cent. Over the same period, the rise for all items other than food in the consumer price index was 3.8 per cent.

The government is concerned about trends in increases in food prices. After all, these affect every Canadian consumer. While I am informed that the proportions of incomes that Canadians spent on food have been declining, they do remain high relative to proportions spent in other main areas. Moreover, the lower income groups have no choice but to lay out a proportion of their income on food that is larger than the proportion that the rest of the population devotes to these commodities.

The House will recall that a joint committee of this House and the Senate conducted a very useful inquiry some years ago and food prices occupied a major part of its work. This committee, however, concluded its deliberations some six years ago. I submit, therefore, it is timely for the creation of another parliamentary inquiry of the kind proposed in the Speech from the Throne. I am, therefore, pleased to urge the adoption of the motion now before the House to appoint a special joint committee of the Senate and the House of Commons to inquire into and make recommendations upon the trends in food prices in Canada, and factors domestic and foreign which account for these trends. I look to such a committee being able to make a thorough inquiry and finding itself in a position, in a relatively short period of time, to make recommendations which can help lead to useful policy initiatives.

In assessing the causes of the current rapid rate of food price increase, the committee will no doubt wish to consider the world wide as well as purely domestic aspects of the problem. From the global standpoint, I am informed, for example, that poor crop yields have been a major factor. The most important crop failures have been in the eastern hemisphere and have affected yields of grains and other staples. Canadian consumers have been protected in part from the effects of the major increases in world grain prices because this has not been allowed to affect the price of wheat sold for human consumption in Canada. However, the world grain shortages are contributing to increases in the prices of meats and dairy products.

Grains are by no means the only farm products in short supply because of partial crop failures abroad. The large increase in sugar prices is partly the result of deficiencies in the sugar beet crop in the Soviet Union and of the cane crop in Cuba, normally the principal source of Russian sugar imports. Demand from China has also been a factor.

Closer to home, bad weather in some vegetable producing areas in Canada and the United States has led to shortages that are clearly evident to the housewife. Poor crop conditions have been experienced in some parts of the western as well as the eastern hemisphere. For example, the frost experienced in Brazil in July of last year was followed immediately by a rise of almost 20 per cent in world prices of raw coffee. The information of an international cartel by coffee producing countries earlier last year has also contributed to the rise in coffee prices.