

THE CANADIAN ECONOMY

INCREASE IN COST OF FOOD—SUGGESTED INQUIRY INTO PRICE SPREADS

Mr. David Lewis (York South): Mr. Speaker, I have a question for the Minister of Consumer and Corporate Affairs. In view of the alarming increase in the price of food, particularly food consumed in the home as distinct from restaurants, hotels and so on, is the hon. gentleman considering or has he already decided, I hope, to institute a thorough inquiry into the price spreads between what the farmer gets and what the consumer has to pay?

Hon. Robert K. Andras (Minister of Consumer and Corporate Affairs): Mr. Speaker, the pricing of food, in the sense that distributors engaged in selling food might be involved in a combine, is a subject of constant review by my department. We watch price increase in that light.

Mr. Lewis: Investigating the matter in the light of possible combines is surely not necessarily relevant to a rise in food prices which can take place in the absence of a combines situation. I therefore wish to ask the minister whether the department is studying the very large increases in the profits of the supermarkets and food processing companies. Would the minister also advise us whether any attempt is being made to study the cost of advertising and promotion which adds to the increase in food prices? Is the department making any study of these areas, aside from combines, which obviously attach to the increase in food prices?

Mr. Andras: Mr. Speaker, the answer, generally, is yes.

Mr. Lewis: If the answer is yes, can the minister inform the House whether there is a report being prepared and, if so, by whom it is being prepared and whether he intends to publish that report?

Mr. Andras: The way this would operate would be that we would exercise our mandate in the department if the evidence from these continuing studies indicated there were contraventions of the combines act.

INCREASE IN COST OF FOOD—CONSULTATION WITH RETAILERS AND WHOLESALERS TO PREVENT FURTHER RISE

Mr. David MacDonald (Egmont): With respect to the serious increase in food prices expected this fall, particularly in urban Canada, have the minister or his senior officials been in touch with the major grocery chains or with the wholesale suppliers to determine whether they are willing to take joint action to head off this very serious inflation in the cost of food?

Hon. Robert K. Andras (Minister of Consumer and Corporate Affairs): Mr. Speaker, the answer is no.

• (1120)

[Translation]

INFLATION—INQUIRY AS TO INTRODUCTION OF PRICE AND WAGE CONTROLS

Mr. Réal Caouette (Témiscamingue): I would like to ask a supplementary question, Mr. Speaker.

Inquiries of the Ministry

Does the department intend to resort to the measures suggested by Mr. Young, namely a price and wage freeze? Probably—

Mr. Speaker: Order. I think the hon. member for Témiscamingue wants to ask another supplementary question.

Mr. Caouette: It is about the same question but I think the hon. minister did not understand the one I just asked.

Because of the present situation, does the hon. minister intend to resort to the measures suggested by Mr. Young, namely a price and wage freeze?

[English]

Hon. Robert K. Andras (Minister of Consumer and Corporate Affairs): Mr. Speaker, the answer is no, not at this time, but if such a decision were contemplated by the government I think it would be more properly announced by my colleague the Minister of Finance.

INVESTIGATION OF INFLATIONARY FORCES

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a supplementary question with regard to the response of the minister that he is conducting investigations only for the purpose of determining whether there are possible violations of the combines act. Can we take it from this that the minister is not actively conducting any investigations relating to the rate of inflation and the inflationary forces that may be at work in the economy but rather is confining his attention solely to the anti-combines aspect?

Hon. Robert K. Andras (Minister of Consumer and Corporate Affairs): Mr. Speaker, the economic causes and effects of inflation and of increased prices would be more properly investigated by the Department of Finance, although we are interested in these matters from the consumer viewpoint and from the point of view of possible contravention of the combines act.

Mr. Stanfield: May I ask the Minister of Finance what precise steps he is taking with regard to surveillance of the inflationary factors in the economy? What research is going on under his authority, and in what manner is this research being carried out?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, the Department of Finance is following the price situation on a daily basis. As I said yesterday to the House, the nucleus of the Prices and Incomes Commission that has been retained is also monitoring price movements here, in the United States and abroad. As I said yesterday, on the basis of the figures for the first seven months of this year the movement of prices in Canada compares favourably with that in any other country in the world including the United States.

Mr. Speaker: Order, please. The Chair will recognize the Leader of the Opposition for a supplementary question, but I have to point out that we have not yet completed the first series of questions. After this supplementary question I think I should recognize the hon. member for Richmond.