

Increasing Food Prices

lem is national in scope. Consequently, we find it a little difficult to understand how the hon. member hopes to achieve all this in the space of two weeks. We feel the matter is an important one, and that a case has been made for such a study. The hon. member has made a case quite well, and recent statistics underline the need for such a study. However, could this House, through the vehicle of a special committee, do justice to that kind of study in just two short weeks?

The motion before the House is two-pronged. On the one hand, we have the subject of increased food prices and, on the other, we have the subject of substantial increases in supermarket profits. I suggest that both subjects could be dealt with separately. Indeed, perhaps a case could be made for dealing with them in that way. There is no doubt about the fact that increases in supermarket profits represent a contributing factor, probably a substantial one, to the increase in the cost of food in Canada, but this is only one factor, although perhaps a substantial one. I believe there are other factors equally important which contribute to the increase in the cost of food in Canada, which is taking such a toll and exerting such hardship on Canadians, especially those in the lower and middle income groups.

One of these factors which contributes substantially to the cost of food is the over-all cost of distribution. Connected very closely with the cost of distribution is the cost of transportation. When we think in terms of transportation we immediately begin to think in terms of Canadians who live furthest from the major producing and manufacturing centres of Canada. In other words, we think of the people who live in the extremities of our country, and the people who come under programs administered by the Minister of Regional Economic Expansion (Mr. Marchand), whom I am very pleased to see in the House today for this debate.

I submit this is one of the major factors, and to substantiate that it might be worthwhile putting on the record the statistics referred to in a brief way by the hon. member for Vancouver-Kingsway (Mrs. MacInnis). Taking the comparison of food retail prices, using Winnipeg prices in May, 1971 as the comparison point, we find that as of May, 1972, St. John's, Newfoundland had an increase of 9 per cent; Charlottetown, an increase of 9 per cent; Halifax, Nova Scotia, an increase of 3 per cent and Saint John, New Brunswick, an increase of 5 per cent. We are now getting closer to the major producing and manufacturing points in the country and find that the rate goes down accordingly. In Montreal, there was a decrease of 1 per cent; in Ottawa, an increase of 1 per cent, in Toronto a decrease of 1 per cent; in Regina, Saskatchewan, an increase of 4 per cent and in Edmonton, Alberta, an increase of 3 per cent. As we go further west, the increases rise. When we get to the city of Vancouver we find an increase of 7 per cent. Here again we are using figures based on Winnipeg, Manitoba prices for May, 1971.

I maintain there is a direct relationship between increasing costs of transportation and distribution and the increase in the cost of food in Canada. For example, in my own part of the country, the Atlantic provinces, the Atlantic Provinces Transportation Commission in one of its recent reports stated:

[Mr. McGrath.]

For the eighth time in the past twenty-nine months, rail rates will increase on February 14, 1972. The increase announced by the Railway Association of Canada on behalf of the Canadian railways, will range from 4 to 8 per cent.

The latest increase is another in what has become a pattern of an increase every six months since the lifting of the rail freight rate freeze on September 23, 1969. This succession of rail rate increases now stands at a cumulative total of 35 to 68 per cent (depending upon the rate level) for non-competitive rail rates and 19 to 40 per cent on competitive rail rates.

According to these statistics, I have placed before the House the Atlantic provinces experienced the sharpest increase in the cost of food for the year beginning May, 1971, using Winnipeg figures as the base. Perhaps it might be worthwhile to continue quoting from this Atlantic Provinces Transportation Commission report as follows:

While it may be argued that the railway rates were frozen for almost ten years prior to September 23, 1969, the accumulative increase enacted during the years immediately followed the lifting of the wartime prices and income freeze. In fact, for the lower rated traffic, the increase since September 23, 1969, exceeds the increase in any similar period since World War II.

Something must be done to curb this increase in freight rates. Not only is it contributing substantially to the cost of food prices in the Atlantic provinces and in western provinces, it is also substantially undermining the regional economic expansion policies for this government, because unfortunately these regional economic expansion policies are not programmed to government transportation policies. In regions such as the Atlantic provinces we find they are running at cross-purposes, one cancelling out the other. You cannot have a regional development policy without having a complementary national transportation policy. As I have just indicated, we do not have that by reason of the increases in freight rates in the Atlantic provinces since the freeze was lifted on September 23, 1969.

• (1600)

There is another factor which comes into play which I believe is very important. I refer to the direct influence the cost of living, particularly in increases in food prices, has on low-income families. The fact is that low-income families live in the areas on the periphery of Canada, such as the Atlantic provinces, eastern Quebec, northern Ontario, the western provinces and the northwest. It is really interesting to note that the latest figures I have indicate that the low-income families, the families with the largest number of children which are to be found in places like the Atlantic provinces and Quebec and whose earnings are in the \$3,000 bracket, spend 27.9 per cent of the total family income on food. The percentage goes down as the income goes up. At the level between \$9,000 and \$10,000, the middle level, they spend 18.8 per cent of their income on food. Those at the level of \$15,000 and over, the highest income bracket, spent only 13.4 per cent of their income on food.

Again there is a relationship between families living in the regions of Canada directly influenced by government transportation policies as a consequence of the increased freight rates. The people in these areas of the country have the largest families. This is the reason I find difficulty in agreeing with the methodology, if you like, adopted by the hon. member for Vancouver-Kingsway while at the