

not as struck as he was by the atmosphere of cordiality. I can well remember a number of occasions, particularly in the early stages of that committee, when there were vigorous and sharp disagreements on the part of various members as to what the committee reports ought to contain. It is worth noting that the second report of the food prices committee in some respects does not deal with the central issue of rising food costs, the reason being that there was such widespread disagreement on the part of members that we were unable to arrive at any consensus as to a specific recommendation.

This afternoon I want to deal with one or two aspects of the second report and comment more fully on the exigencies of the Food Prices Review Board and its fate since it was established. I will conclude by talking about one factor in rising food costs in Canada which I feel has not received sufficient attention in the last few months.

I begin by commenting on the report itself. I note that among the recommendations of the second reports is one dealing with advertising. Having heard the testimony of the supermarket representatives in the course of the June and July hearings, I was struck by their efforts to suggest that total advertising costs are a very small percentage of the figure representing their total sales. It is unquestionably true to say that, in a high volume business like the retail food business, the expenditure on advertising will form a relatively small percentage of the amount to be set against total sales. Let us remember, however, that many types of food are not advertised at all or advertised minimally; also, a good proportion of the food sold on supermarket shelves consists of non-advertised private label brands. If we then take the remaining volume of food sold and apply against that total advertising costs, we will see that, in respect of such items as are advertised, the cost of advertising is significantly high, or forms a significant percentage.

It is worth noting that the second report of the committee contains the statement that private label brands which are not nationally advertised can bring about effective savings to the consumer in the order of 20 per cent per item. I am talking about products of comparable quality and value. The supermarkets themselves admit that the savings with respect to private label brands represent about one fifth, if one compares those brands with nationally advertised brands. At a time when rising food costs concern us all, the conclusion of the committee that private label brands form a large proportion of total supermarket sales is a worthwhile one.

● (1600)

I was also struck by the efforts of the supermarkets to present their profit performance as a percentage of sales. By the time the committee finished its hearings, it was generally agreed, even by representatives of the retail food outlets, that this was not in fact a very meaningful or good measure of a profit performance. We were finally able to get profit pictures in terms of equity or assets.

When the representatives of the supermarkets appeared before us, they assured us that the practice of double or triple price labelling, which came to the attention of the public in mid-August, was one which they deprecated and in which they did not engage. We were given very firm

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assurances that nothing of that kind took place and the situation simply did not arise where a consumer would find one, two or possibly three price labels on a product. However, this August, as a result of some investigative work by some of Canada's newspapers, a story appeared to the effect that many supermarkets had, in fact, many products on their shelves with one, two or three price labels.

When I put that fact against the assurance that was given by the supermarkets with regard to that particular practice last July, I wonder about some of the other assurances the committee was given by the same supermarkets. I may say that having only one price label on a product does not solve the problem for the consumer. The nub of the point is, are the supermarkets raising the prices of products which are already in inventory and which were purchased at a lower cost than newer shipments? If there is only one label, it may just be that the supermarkets are on the ball. The question is, what is the amount on the label and are the supermarkets over-charging the consumers? As I say, these supermarkets gave us assurances. In light of what has happened since then, I am not sure those assurances are necessarily all that comforting.

Dealing with the Prices Review Board, I may say this body might be called the ugly duckling of Canadian politics. I may say in passing that I recollect the ugly duckling eventually grew into a beautiful swan. If I and my party had anything to do with it, we would make sure the Prices Review Board did not remain an ugly duckling, but became a swan. I certainly look forward to support from my friends in the Conservative party in the committee.

The concept of a prices review agency has been proposed by the New Democratic Party for a number of years. Its purpose would be to give the consumer, at a time of rising prices, some assurance he is not being cheated in the market place. As we conceived and proposed it, the scope of the board would range widely over the economy, concentrating on those pivotal industries whose leverage on economic performance is greatest. It would have effective power to implement whatever conclusions it reached. That still remains the position of this party, as reiterated as recently as last July in Vancouver.

I want to take this opportunity to quote briefly from a resolution adopted by our convention at that time:

A powerful new Prices Review Board must be set up to protect consumers from unwarranted price increases and from gouging by unscrupulous dealers who would charge everything the traffic will bear. The Board must cover not only food, but other essential industries. Parliament must pass legislation to empower the Board not only to undertake searching investigation of price increases but, where necessary on a selective basis, to impose price ceilings or roll-backs.

Mr. Hellyer: Will the hon. member permit a question?

Mr. Grier: Not now, Mr. Speaker. I prefer to conclude my speech first.

At the end of the first series of hearings of the food committee, the New Democratic Party proposed that the committee recommend the establishment of a prices review board dealing with food which would have powers of roll-back. At that time, we limited our recommendation to food. We were dealing with the subject of food in a special committee set up by this parliament to take a look