

*Increasing Food Prices*

administration of the Combines Investigation Act should be looking into.

The parliamentary secretary then told me that because of the price war among the supermarkets last fall, prices had fallen so low that the supermarkets had only just been able to raise their heads again and show the sort of profits I have mentioned. He did not deal with the prediction by the President of George Weston that 1972 was going to be the best year ever in sales and profits. So, if they are going on to even greater heights, maybe the parliamentary secretary will discover some profits he will consider to be not in line. He said he had no objection to profits as long as they were in line. In line with what? That is what I should like to ask him.

From the standpoint of the consumer, these supermarket wars are phoney wars. They result only in being wars between competing great powers in the marketplace. The consumer is on the battlefield and the casualties on that battlefield are becoming increasingly numerous and severe, as the government sits idly by and refuses to inquire into the reason for them.

I referred the other day to a study recently made by an associate professor in the political science department at Simon Fraser University, Gary Rush, together with some students. In this study they found that a few major food chains, including those whose profit figures I referred to earlier, control the whole grocery selling business and often control a product from farm to store shelves. They are in the agro business just as they are in the business of selling groceries. They are in the business of mulcting the farmer just as they are in the business of cheating the consumer out of the value of his dollar. They have become masters in covering up their real price structure behind a façade of what appears to be competitive pricing. With the market controlled by a few giant chains, the few independent chains are so intimidated that it is not considered in their interests to risk profits at the expense of ensuring real competition. A few great food chains have the consumer by the throat and the phoney wars are carried on to decide which should survive among the chains. But they are all warring against the consumer.

Lest the government be inclined to dismiss the study carried out at Simon Fraser as arrant academic nonsense, I wish to refer to another report. In 1966, a Joint Committee of the Senate and the House of Commons was established to examine credit buying. Later in its work the Committee addressed its attention to prices and the cost of living. At that stage of the proceedings I happened to be a member of the committee. On April 25, 1967, after months of hearings and deliberations—this was before the government became shy of witnesses appearing before committees as it is today—the committee tabled its report on prices and the cost of living. One of the concluding sections read in this fashion:

Your Committee uncovered specific evidence of great concentration of market power. It came to public attention as a result of questions by your Committee and disclosed more particularly the so-called Weston Empire.

This disclosure was an astonishing revelation and the enormity of the Weston complex surprised even the sophisticated. The far-reaching implications will take some time to assess. The Weston Empire reveals for the first time vast holdings and control over food and other related aspects of the economy which will need

further investigation to reveal all the implications and to do this, more specific information will of course be required.

The detergents and soap industry, it appears from the evidence, is controlled by three giants which among them have between 85 and 90 per cent of the total business.

We all know their names—Lever Brothers, Colgate-Palmolive and Proctor and Gamble.

The five great corporate food chains and the voluntary chains control more than 75 per cent of the grocery business in urban areas and their percentage is increasing.

In one part of the food processing industry, one firm controls 100 per cent of the market in the Maritimes and Western Canada—

Incidentally, the cost of living is up by 9 per cent in the Maritimes, now, as compared with the cost of living in Winnipeg, and that may have something to do with it. To return to the committee's report:

—one firm controls 100 per cent of the market in the Maritimes and Western Canada and at least 80 per cent of the market in Ontario and Quebec.

• (1540)

The domination of a few large corporations in some sectors of the Canadian economy is clearly evident and gives rise to the question, "Is this in the public interest?" Your Committee feels that the implications of this question must be fully examined.

In view of this, your Committee recommends that a thorough assessment should be made of the organization of the food industry with the object of publicizing any monopolistic tendencies which may exist, of determining whether the market power of any group or groups is sufficient to impair the workings of a competitive market and whether there are any undue barriers to entry.

The recommendation is:

That the Joint Committee on Consumer Credit (Prices) continue with its investigation of concentration in the food industry.

The date of this report is April 25, 1967. We are now five years further along toward monopoly. In addition to all these other chains which are referred to, the giants have emerged even larger than before, with wider and wider extensions. No longer are they merely concerned with food and allied businesses. They stretch their long octopus tentacles into every sector of Canadian business today, everywhere that the consumer goes to draw sustenance and support, to obtain nourishment or to buy clothing and other needs for living. The farmer is as much a victim as the city consumer. People living in the rural districts are also under the dominance and power of the chain stores.

In light of this sort of evidence which is five years updated, the New Democratic Party is moving this motion today. However, may I go back for a moment to this study at Simon Fraser, the little "Grocery Store Storybook", as it is called. Talking about the major food chains the study says:

The price structure, the most vital element to the customer, is professionally hidden in a façade of competitive pricing. The major food chains cover up the real nature of their operations through fanfare marketing aimed at brainwashing the consumer into believing that products are priced competitively—

Rather than price-takers, these corporate giants are price-makers, with each chain acting to maintain artificial prices. Except for minor differences (such as the "loss leader" items deliberately priced low to attract customers), prices on similar items do not vary much from one major chain to another. The result is a market that operates in the grip of the chains. Although very real