

fisherman, but also with the food processor, the food retailer and the consumer; it must deal not only with the domestic market but also with the international situation; it must deal not only with the cost of primary production, the price at the farm gate, but also with the expenses of processing, transportation, packaging, advertising, wholesaling and retailing.

Third, the report is realistic. The interim report has some useful comments on the extent to which governments should intervene to control the operations of the marketplace. I was particularly interested in its finding that there was almost unanimous opposition among witnesses to the idea of imposing price controls on food products alone, or imposing price controls at all.

The committee in its report clearly recommends that controls are not a surefire solution to this problem. After all, controls, if introduced at the wrong time and without due regard for the fundamental factors governing food production, could well lead to situations of decreasing supply and in the long term result in the development of a food price upsurge even more widespread than we have faced over the last year.

I was also interested to note that the Conservative government of Alberta shared this concern and expressed its opposition to controls as a solution. It said in its brief to the committee it felt "that detrimental effects would result for the food industry and the consumer in the long run" from controls.

Fourth, the report is one with a conscience. It shows a real concern for those living on low incomes, for whom the recent rapid increase in the cost of food has created hardship. The government shares this concern. The interim report was tabled a little over a week ago. In that brief period of time, I have had some opportunity to begin discussing it with my colleagues in the government. I want to say that the government intends to make a positive and full response to each and every one of the recommendations set out in the report. Work is now under way within the government to analyse and examine the implications of all of the recommendations and to develop responses in terms of new activities or extensions of existing activities. While it may be necessary in developing these responses to modify details to meet the requirements of particular circumstances, I can say that the government is in full agreement with the main intent of each of these recommendations. I therefore, ask the House to concur in the interim report. It is the government's objective to place before the House as soon as possible comprehensive statements as to how the government intends to respond to each recommendation.

• (1730)

The committee listed the main reasons for the worldwide upsurge in food prices. I am referring to such things as crop failures in certain parts of the world, the disappearance of fish from waters off the west coast of South America and the resulting shortages of high protein meal, the floods that occurred in some parts of North America, the effects of livestock production cycles, the rapid rate of rise in the demand for meat and other factors that have been raised on many occasions over the past few months.

### *Food Prices*

The committee noted, after looking at the rate of increase in retail food prices in 27 industrialized countries between 1967 and 1972, "the rate of rise in Canada was lower than in all but six of these countries, namely, West Germany, Australia, Switzerland, Austria, Mexico and Italy, and was only marginally above the rates recorded for most of these leaders." Of course, the rise has been particularly rapid in Canada in recent months, but with the exception of food I think the record shows that few countries have had better consumer price performance than Canada during this period.

As I mentioned earlier, the committee has avoided the pitfalls of supposing that rigid price controls applied to food could be what is required. Instead, it has recommended a flexible review procedure. It has resisted the temptation to forecast how effective a price review operation might be. I personally think we can be hopeful that price reviews that are flexible and efficiently conducted can have salutary results. But I agree with the caution with which the committee has approached the subject. I also agree with the prominence it has given to the idea of concentrating as much on studies of efficiency of resource use in food industries as on investigation into the possibility that excessive returns are being received by some participants in the chain of food production operations.

Let me deal more specifically with the recommendations in the report. As I have just said, it is not yet possible to put before the House a detailed response to each recommendation; the government does require further opportunity to complete its work on them. A major recommendation of the report is the one calling for the establishment of an independent prices review board. Regarding this recommendation, I can now say that the government agrees there is need for a mechanism to review and examine the causes for particularly striking increases in staple items in the food budget of the consumer, and whose findings would be available to parliament through the Minister of Consumer and Corporate Affairs. This is an area where more facts could have a beneficial effect in moderating upward trends in food prices.

I would be less than candid, however, if I did not remind the House of the complexity of this issue. Indeed, the interim report of the committee has clearly shown that many factors underlie increases in food costs and that easy solutions in this field will not be found. But I do want to say that the government intends to announce its detailed plan of action for a review mechanism before the end of this month and, hopefully, within the next week or two.

In its examination of food costs, I was pleased to see that the committee did not overlook the importance of competition as a policy instrument that can have a key role to play in maintaining cost-effective markets for food in Canada. It is clear from the outline of the future workload of the committee that it intends to explore vigorously this aspect of the food situation over the next few months. As the House knows, the government has stated that it will be bringing forward a competition policy which will reflect the consideration that has been given by it to the many comments it has received from the public on the