

The undue increase in food prices is a crime, especially as our society, by accepting the present economic system, tolerates poverty in the midst of affluence.

Let an investigation be made in order to eliminate exploiters, trusts, and finance sharks. This would certainly be a good thing, but as I have said before, it is absolutely necessary to go further and to find a permanent remedy.

The government alleges that there is sufficient purchasing power to buy any product at the market price and that if some people have not enough money, it is because others have too much of it and the problem is that of uneven distribution which should simply be straightened out.

That was the theme of the Prime Minister (Mr. Trudeau) when he was speaking to us in 1968 about the just society. I will not dwell on the results achieved in 1972. We are well aware that the Canadian people is still awaiting the birth of that just society.

We of the Social Credit party do not accept that. There is a serious deficiency in the system of distribution of wealth which should be weeded out. We have already suggested a formula providing more benefits to the people from the abundant riches that are produced and available, without depriving anyone of anything.

We must at all costs remember some day to give the people, in addition to the legislative, executive and judiciary powers, the monetary power which has been described thus:

A monetary power vested in an agency similar to the judiciary apparatus. But it would include qualified accountants instead of judges. Accountants who, like judges, would be independent from politicians in power in the performance of their duties. Additions, subtractions or rules of three would be based on statistics that are not within their control; on production returns and on the consumption of the country resulting from free activities of free producers to meet the needs freely expressed by free consumers.

This means that money and credit would only be a reflection in numbers of economic realities. The act creating such a monetary power would assign that purpose to the body thus set up. The agency would have to supply the financial credit required to enable the people to order the goods they need on the basis of the national production capacity.

Mr. Speaker, when we have managed to solve the real causes of the problem, as I have just explained, we will have contributed to freeing the Canadian taxpayer, and we will no longer witness the type of situation we are now subjected to, that is having to face outrageous increases in prices when Canadians can hardly manage to make ends meet, and this, because of the negligence of our leaders.

[English]

Hon. P. M. Mahoney (Minister of State): Mr. Speaker, I would like to extend the regrets of my colleague, the Minister of Consumer and Corporate Affairs (Mr. Andras), at his inability to be present in the House this afternoon. Unfortunately, he is required to be elsewhere on an urgent matter of government business.

I rise to speak to probably one of the more cleverly worded motions that has been put to the House in a long time. This is almost like being asked whether you have quit beating your wife. Under the terms of Standing Order 58(9), we have, of course, a no-confidence motion.

Increasing Food Prices

The government must oppose it. Superficially, it would appear that this presents the sort of thing that members of Parliament, whatever their party, would have a great deal of difficulty in opposing. However, it actually has to be opposed because of its premises, as well as the fact that the conclusions it reaches do not stand up to factual examination.

Supermarket prices have not been rising steadily and chain store profits have not increased at an unprecedented rate. It is true that supermarket profits and food prices have recently been going up, but an analysis of the matter does not indicate that the supermarket chains are either profiteering or are solely responsible for the increase in food prices.

Let me first deal with profits. During late 1970 and continuing to about mid-1971, a supermarket price war was in progress in central Canada. That had severe effects on the profits realized by supermarket chains. Dominion stores, for example, had their net income per sales dollar for the year 1971 drop to four tenths of one per cent in 1971 from 1.4 per cent in 1970. It rose back to 1 per cent of sales in 1972. In 1967 and 1968, this figure was 1.7 per cent. It was obviously as the result of the price war that Dominion Stores profit margin dropped substantially. They have since recovered somewhat, but have not approached the profit margins of the pre-price war period.

Similar results are found in analysing the financial statements of other supermarket chains. Of course, if one compares, as the hon. member for Vancouver-Kingsway (Mrs. MacInnis) does, the difference between the better profits in 1972 and the very low profits in 1971 while the price war was in progress and expresses the increase as a percentage, it appears very substantial. In addition, this is contributed to by a very substantial increase in total sales. The present government holds no particular brief for supermarkets or their policies. On the other hand, it has no reason to believe that they are treating the consuming public unfairly in terms of prices. Until there is some reason to do so, the government is strongly opposed to singling out one particular sector of the business world and making it a scapegoat.

The Director of Investigation and Research under the Combines Investigation Act has had a watching brief over the behaviour of the retail food industry for years, particularly in the years since the 1959 report of the Royal Commission on Price Spreads headed by Andrew Stewart. This report found that the outstanding development in food retailing during the period which was surveyed was the growth of the large voluntary chains. These voluntary chains are operations like IGA in which independents join together to get the advantages of mass buying. The royal commission reported that the growth of these voluntary chains had been greater proportionally than the growth of the corporate chains which threatened to put the independents out of business. Contrary to the impression left by the hon. member for Vancouver-Kingsway, the voluntary chain movement has grown apace and constitutes a very strong competitive restraint upon the power of the corporate chains to raise prices unduly and, even more important, provides a positive impetus for competitive pricing in the industry.