

*Food Prices Committee*

more, and one of the first things the committee must do is prove to the people of Canada that those engaged in primary agriculture in Canada are certainly not over-paid.

• (1640)

The second matter to which I should like to refer is the price of services. All of us know that labour and transportation costs have increased substantially in the past number of years. They have increased at an even more rapid rate in the last year or two. I should like to quote from an article which appeared in the *Gazette* of January 18, in Saskatoon. Mr. Runciman, president of the United Grain Growers suggested the following:

The answer to increased food prices lies not in excess profits to farmers, processors or distributors but in inflationary trends in service and labour costs.

The article continues:

He said Statistics Canada figures show prices received by the farmer rose an average of only 15 per cent between 1961 and 1971 while food prices increased 36 per cent, the same rate as the cost of machinery and other materials used in farm production.

In the same period, Mr. Runciman said in an address to a farm and home week gathering at the University of Saskatoon, service costs—which range from transportation down to the wages of a supermarket counter clerk—jumped 50 per cent.

That is a substantially greater increase than that received by our farmers. Third, I should like to speak for a moment about a famous bugbear of many people in Canada, something which must be investigated by this committee, namely, the profits or lack of profits received by our supermarkets in Canada. My hon. friend from Vancouver-Kingsway suggested that these supermarkets were conglomerates and that they had a monopoly in respect of the selling of food in Canada. I respectfully say to you, Mr. Speaker, and through you to the hon. lady, that I do not believe there is a monopoly in respect of the selling of food in Canada. I believe this is one of our most competitive businesses. I am glad in this instance that our friends do not suggest that the high prices are caused because these supermarkets are foreign controlled. To my knowledge there is only one large food chain in Canada controlled in the United States. Therefore, we must accept the responsibility ourselves.

**An hon. Member:** There are two.

**Mr. Whicher:** There may be two. I shall not deny that. In any event, there is one very large one. So, I would have to disagree with my hon. friend who suggests that supermarkets gain exorbitant profits. I think she should be fair about these things. The other day a question was addressed by the leader of the New Democratic Party to, I believe, the Minister of Consumer and Corporate Affairs (Mr. Gray). In his question he suggested that the profits of supermarkets were too large. He said they make a profit of one and one-half cents on a dollar's worth of sales, but 11 per cent on the capital investment. I do not think that has anything to do with it. A lawyer could very well have an office worth \$25,000 and earn \$50,000 a year. Would this mean there is a 200 per cent profit on the money invested? Supermarkets have a tendency not to own the property in which they operate. They may finance the building, but they sell the property and lease it back

[Mr. Whicher.]

because the money they have is required for their inventory.

My hon. friend from York South suggested that 11 per cent is too high a figure. The words used by my friends in the New Democratic Party are "gouging the public". I really am not too much concerned about supermarkets. I do not place them on a pedestal. However, I say that the competition in the food business among the supermarkets and the efficient way in which they operate is something which could be copied by many other industries in Canada. For this reason, I respectfully suggest that "gouging the public by supermarkets" is an unfortunate phrase which should not be used more than is absolutely necessary.

The final point in respect of this committee is one which should be looked into and one which is of great interest to the consumers in Canada. All of us are consumers. The farmer, the factory worker and every person in Canada or in the world are all consumers of some type of food product. Of course, our study must be approached with full knowledge of this. If we can do anything to bring down the price of food, then of course it must be done.

On the other hand, I want to point out that things really are not as bad in Canada so far as food prices are concerned as has been suggested. If such a committee as is being proposed can accomplish anything in respect of bringing down the prices of food, certainly it will have my support and I am sure the support of every member of this House. However, the fact is that Canadians spend now a smaller proportion of their pay cheque on food than ever before. I do not have the latest figures but I have them for the period up to the year 1971. These were the latest figures I could obtain. Between 1961 and 1971, the general price increase was 33.4 per cent. But in the same period, the retail food price index increased by only 27.4 per cent. Here is what an hour's work in a factory bought in 1971 and ten years earlier. In 1971 it bought 2.4 pounds of sirloin steak and in 1961 only 1.9 pounds. In 1971 it bought 3.7 pounds of pork chops and in 1961 2.5 pounds. In 1971 an hour's work would buy 15.8 pounds of bread while in 1961 it would buy only 11.5 pounds of bread.

So, while food prices have increased, and certainly we hope they may be lowered, in general the situation is not as bad as my hon. friends across the way suggest. Actually, in respect of world markets we really are holding up our heads because there is only one country in the world in which the proportion of a person's earnings spent on food is less than in Canada. That country, of course, is the United States. I suggest one reason for this is the fact that it is much easier to grow oranges in California and Florida than anywhere in Canada, as well as other citrus fruits. The weather plays an important part in this regard. In addition, the population in the United States is 210 million as against 22 million in Canada. Because of the population in the United States, products can be produced in very large quantity which has a tendency to reduce the price. For the benefit of the hon. member I might say the average person in the United States spends 18.3 per cent of his earnings on food while in Canada this figure is 19.3 per cent.