

*Oral Questions*

because the beef cycle has nothing to do with monetary or fiscal policy.

**Mr. Dick:** Answer the question.

**Mr. MacEachen:** It has to do with the forces of supply and demand in the cattle market. The hon. member also asked about credit cards in supermarkets and what I think of the matter. What does he think? I have not formed any opinion on the subject.

## PASSING ON OF SALES TAX CUTS TO CONSUMERS

**Mrs. Jean E. Pigott (Ottawa-Carleton):** Mr. Speaker, in the absence of the Minister of Finance, in the absence of the super minister and in the absence of the Prime Minister—

**Some hon. Members:** Oh, oh!

**Mrs. Pigott:** —I would like to ask a question.

**Some hon. Members:** Oh, oh!

**Mrs. Pigott:** Mr. Speaker, we are not running the country yet, but we will be here when we are.

**Mr. Paproski:** In our seats.

**Some hon. Members:** Hear, hear!

**Some hon. Members:** Oh, oh!

**Mr. Speaker:** Order, please. The hon. member for Ottawa-Carleton on a question.

**Mrs. Pigott:** Thank you, Mr. Speaker. They are not running the country, either. My question is to the Deputy Prime Minister.

Industry selling prices for the months of January and February show that the sales tax cut has not been passed on. It is now at 11 per cent. Could the minister explain why the tax cut has not been passed on, because with all his watchdogs he should know?

**Hon. Allan J. MacEachen (Deputy Prime Minister and President of the Privy Council):** Mr. Speaker, I agree with the hon. member that the full effect of the reduction in the federal sales tax has not yet fully reached the retail level. It will, and when it does it will moderate the type of price increase which is of concern to the hon. member.

**Mrs. Pigott:** Mr. Speaker, I am very concerned about the 11 per cent increase. Could the Deputy Prime Minister tell us how he feels this 11 per cent increase will affect the goods which will go on the shelves of the supermarkets and department stores? Could he tell us what the effect will be on the index over the next few months?

**Mr. MacEachen:** Mr. Speaker, the hon. member has referred to an 11 per cent increase. I must say I do not understand to which increase she is referring. I am not aware

[Mr. MacEachen.]

of an 11 per cent increase in the cost of living either for this month or for year to year.

## INCREASE IN PRICE OF CLOTHING

**Mr. Edward Broadbent (Oshawa-Whitby):** Mr. Speaker, the government, this morning, has been evasive in general about its responsibilities with regard to prices. I have a particular item which was brought to the government's attention three weeks ago. My question is to the Minister of National Revenue.

Considering that price increases in clothing for men, women and children are now at an annual rate of 13 per cent, and considering that more than three weeks ago a group of Canadian clothing manufacturers submitted a brief to the minister which specifically pointed out that Canadian textile companies, "are taking advantage of their tariff and quota protection by pricing up to landed import prices", could the minister tell the House, since he was informed of this matter—I have a copy of the submission which was more than three weeks ago—if he brought this reprehensible practice of the textile companies to the attention of his cabinet colleagues? If so, what action has been taken?

**Hon. A. C. Abbott (Minister of National Revenue and Minister of State (Small Business)):** Mr. Speaker, the hon. member is correct that a meeting was held with that group. A number of points were discussed with me at that meeting on the whole problem of the potential increase in clothing prices. I am very much concerned that there not be any exploitation of the circumstances surrounding the clothing quotas, or the lower value of the dollar, to impose higher prices on the public.

• (1125)

The point the hon. member raised is not one that we are unfamiliar with—the question has been raised before—but it is a matter of evidence, a matter of inquiry and a matter of investigation. I can assure him that we took the representations very seriously and we are continuing to look into the question.

**Mr. Knowles (Winnipeg North Centre):** Another "looking into" minister.

**Mr. Broadbent:** Mr. Speaker, we have another minister who wants to look into the causes of increased prices. The other minister who is out of the House has been doing that for months and we have not had any action. Considering that almost every textile company in the country in the last quarter of 1978 had substantial increases in profits, specifically the Dominion Textile Limited which increased its sales by only 14 per cent in the last quarter of 1978 but increased its profits by 34 per cent, and considering that Canadian clothing manufacturers want something done to bring the price of women's and children's clothing down to a reasonable level, when is the minister going to take some action to bring about rollbacks in unjustified price increases in these areas which have been brought to his attention?