

**Mr. Speaker:** The House has heard the hon. member's motion. Under Standing Order 43, such a motion requires unanimous consent. Is there unanimous consent?

**Some hon. Members:** Agreed.

**Some hon. Members:** No.

## ORAL QUESTION PERIOD

[English]

### THE CANADIAN ECONOMY

#### REASON FOR HIGH LEVEL OF INFLATION

**Mr. Sinclair Stevens (York-Simcoe):** Mr. Speaker, in the absence of the Minister of Finance, the President of the Board of Economic Development Ministers, and the Minister of Consumer and Corporate Affairs, I will direct my question to the Deputy Prime Minister. My question centres on the unfortunate 9.2 per cent level of inflation in this country this year as compared to last year.

● (1115)

Would the Deputy Prime Minister and President of the Privy Council give the House the official government excuse for inflation being so high? Is it because of a foreign problem or a provincial problem? Is it because of the fact that anchovies are not being found off the coast of South America, as Mr. Turner used to say, or is it because the American satellite is very close to Jupiter? Can he give us the official excuse?

**Hon. Allan J. MacEachen (Deputy Prime Minister and President of Privy Council):** Mr. Speaker, I am not interested in giving excuses with regard to the increases in prices that have been made public today. The hon. member could examine the situation, and he ought to know that the year to year increase is marginally greater than for the previous 12-month period. As the hon. member knows, if he wishes to read the material that has been made available, the principal cause for the increase in the CPI lies in the area of food prices.

He ought to know, as well, that the major component of that food price increase is the very substantial increase during the month in the price of beef. Hon. members spoke in the House on this subject earlier this week and they understand fully that this upward trend in beef prices arises from the normal beef cycle and the decision of producers to withhold sales in order to build up their herds. That is a fact. I have had the opportunity on previous occasions to mention the necessity of this development taking place. That is a fact; it is not an excuse. If the hon. member wants to read a little further, he will understand that the other major component of the increase in food prices relates to fresh vegetables which are imported from other countries.

### Oral Questions

Those are facts. The hon. member may want to deal in excuses, but I do not. Those are the facts that account for the situation.

**Mr. Stevens:** Mr. Speaker, my supplementary question is again directed to the Deputy Prime Minister and President of the Privy Council, who I think has in fact put the blame for rising prices on the backs of the farmers, which is contemptible.

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

**Mr. Stevens:** Will he confirm that, in fact, part of the cause of the rise in beef prices in this country is that this government has adopted a cheap dollar policy, which means that Canadians are now paying, on average, about 30 cents a pound more for their beef compared to American prices simply because this government determined it was in Canada's best interest to have an 80-cent dollar?

**Mr. MacEachen:** Mr. Speaker, the hon. member talks about an 80-cent dollar.

**An hon. Member:** Eighty-five cents.

**Mr. MacEachen:** He must have information that is unknown to the rest of us. Obviously, the price of beef at this time in our market is basically determined by its supply and demand. There is no intention of placing the blame on the backs of Canadian producers who went through a period of low prices, and as a result of that period of low prices we are faced with a decrease in supply. That is the main reason.

As the hon. member knows, as herds are built up, prices will decrease and we will go through, in a sense, a cycle in beef prices with which we are familiar.

**Mr. Stevens:** Mr. Speaker, I again direct my question to the Deputy Prime Minister and President of the Privy Council. Now that the government, through faulty fiscal and monetary steps has saddled us with this type of inflation, will the minister indicate if he thinks it is generally a good idea that grocery chains now propose to sell their goods through the use of credit cards, as is being suggested in Toronto?

● (1120)

Does the minister think that it is a good idea, or does he think it is unfortunate that, notwithstanding the high cost of food, people perhaps are being enticed to use credit cards which may cost them as much as 20 per cent in interest costs alone per year?

**Mr. MacEachen:** Mr. Speaker, one wonders about the seriousness of the hon. member's approach to questions of this kind in this House of Commons, when he attempts to relate the beef cycle to faulty fiscal and monetary policy.

**Mr. Stevens:** It is.

**Mr. MacEachen:** He is drawing a very long bow, and only in his own hallucinatory imagination could that become a reality,