

Mr. Woolliams: The hon. member for Don Valley answered my question, Mr. Speaker.

Some hon. Members: Oh, oh!

FOOD PRICE INCREASES—SUGGESTED IMPLEMENTATION OF GOVERNMENT CONTINGENCY PLAN

Mr. James A. McGrath (St. John's East): Mr. Speaker, I suggest to the Minister of Finance that he and the government should get together with the people of Canada.

Some hon. Members: Hear, hear!

Mr. McGrath: My question is for the Prime Minister. In view of the fact the 3.2 per cent increase in the cost of food, representing a 16.2 per cent increase over a year, exercises its greatest hardship on low-income Canadians, and in view of the fact high interest rates hurt low-income Canadians most, does the government still have a contingency plan? If so, will the government now proceed with implementation of that plan?

Right Hon. P. E. Trudeau (Prime Minister): Yes, Mr. Speaker. I certainly share the concern of the hon. member for people on low incomes. However, it is still a source of puzzlement to me that the hon. member's party, through its official spokesman, rejected the subsidy on milk for consumers to help people on low incomes.

Some hon. Members: Hear, hear!

● (1500)

Some hon. Members: Oh, oh!

Mr. Bell: That is not true.

Mr. McGrath: On a point of order, Mr. Speaker, the Prime Minister has completely misrepresented the stand taken by this party.

Some hon. Members: Oh, oh!

Mr. McGrath: In light of the substantial increase in the cost of living, I can only suggest to the Prime Minister and his colleagues that their conduct is shameful.

Mr. Speaker: Order. I am not sure whether hon. members expect the Chair to rule on all these points of order which I suggest are not points of order at all. Hon. members are obviously anxious to have a budget debate or a debate on the general issue during the question period. Our rules are not attuned to this kind of confrontation. I would invite hon. members to try to respect the rules and the generally accepted procedure during the question period. I am sure this would facilitate matters for all members who wish to participate in the question period.

Mr. McGrath: May I ask the Prime Minister, by way of a supplementary, whether, in light of the figures released today by Statistics Canada, he is now prepared to reconsider the decision he made yesterday and appear before the Special Committee on Trends in Food Prices so that its members might have an opportunity to examine the right

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hon. gentleman on the policy he has put forward to deal with inflation?

Some hon. Members: Oh, oh!

Mr. Trudeau: I have already written a letter in reply to the chairman of that committee. I hope it has been received by now and I hope he will find it a satisfactory reply in view of the precedents in Canada.

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ENERGY

OIL—REQUEST FOR DETERMINATION OF JUSTIFICATION OF PRICE INCREASE—POSSIBLE GOVERNMENT ACTION TO ROLL BACK

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I direct a question to the Minister of Energy, Mines and Resources. In view of the fact that one of the items contributing to the increased cost of living during the month of August was fuel for home heating, and in view of the fact that this probably related to the increase of 40 cents a barrel for oil commencing August 1, I want to ask the minister whether his department has made any study to determine whether that increase, the fourth in the last nine months, was justified? If not, has the government taken any steps to roll back the price to what it was at the end of July?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, the increase in August was justified at the time on the ground that we were on a one-price basis with the United States and in light of the increase in price in the United States. On this basis, the restraint announced by the Prime Minister last week will prevent the necessity for a further 40-cent increase which the National Energy Board has now found would have occurred but for the decision of last week.

Mr. Douglas: In view of the minister's statement which implies that the 40-cent increase on August 1 was not required in order to meet increased costs, is this factor being taken into account by the government in the preparation of legislation to establish a two-price system, and can we hope that the domestic price for oil will reflect this fact and not be set at the present figure at which it is frozen?

Mr. Macdonald (Rosedale): I would not expect it would be possible to reverse decisions which have been based upon earlier price increases. I would expect, however, that such a system would make it possible to restrain the acceleration of price increases in Canada as related to the price of American crude.