

## ORAL QUESTION PERIOD

[English]

### AGRICULTURE

#### MILK—GOVERNMENT POSITION ON REINSTATEMENT OF SUBSIDY

**Mr. James A. McGrath (St. John's East):** Mr. Speaker, my question is addressed to the Minister of Agriculture. In view of the fact that the consumer price index today showed another sharp increase in the price of fluid milk, and since we are told there will be further increases in the price of milk both this month and in April as a direct consequence of the removal of the consumer price subsidy, is the government now prepared to reinstate the subsidy since the price of milk is likely to rise to such an extent it will be beyond the ability of many Canadians to afford?

**Hon. E. F. Whelan (Minister of Agriculture):** While not accepting the premises of the question, at least the last one which fails to take into account the social policies of the government, I can say that there is no intention of reinstating the fluid milk subsidy.

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### SOCIAL SECURITY

#### SUGGESTED NEW METHOD OF MEASURING IMPACT OF COST OF LIVING ON PENSIONERS

**Mr. James A. McGrath (St. John's East):** I should like to redirect my question to the Prime Minister who also has a direct responsibility in this matter. In view of the fact that the consumer price index has a direct bearing on the level of family allowances as well as old age security payments, and in view of the failure of the index to accurately measure the full impact of the increases in the cost of living on people who live on low incomes, fixed incomes and pensions, is the government now prepared to consider introducing a new method of measuring the impact of the cost of living on pensioners and low income earners in Canada?

**Right Hon. P. E. Trudeau (Prime Minister):** There are pros and cons in relation to different methods. I will certainly consider any new method the hon. member might wish to bring to my attention.

**Mr. McGrath:** With great respect to the Prime Minister, a similar question was directed to the Minister of Industry, Trade and Commerce several weeks ago. He gave the same undertaking as the Prime Minister, but we have received no report from Statistics Canada or from the minister, notwithstanding the fact that according to Statistics Canada the index no longer adequately reflects what is happening with respect to low income earners. In particular, I would refer the Prime Minister to a study by the National Welfare Council showing that low income earners spend twice as much on food as those in the higher income brackets. In the light of this study and other data made available to the government, would the right hon. gentleman undertake to recommend the adoption of a new index, especially bearing in mind the fact that family

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allowances and old age pensions are now based on the consumer price index?

**Mr. Trudeau:** The hon. member is making an argument which is well known to the government and work is proceeding on this subject.

**Mr. McGrath:** Do something about it.

**Mr. Trudeau:** We are. There has been a report, I believe, by the Economic Council of Canada that this is still the best system. However, I repeat to the hon. member that if he has a better system he might draw it to our attention. What I put to the hon. member is that if he has a better system, then perhaps he would put it to us and we will study it along with all the others.

● (1120)

### AGRICULTURE

#### MILK—GOVERNMENT POSITION ON REINSTATEMENT OF SUBSIDY

**Mr. James A. McGrath (St. John's East):** A final supplementary question, Mr. Speaker. The Prime Minister has this responsibility, not the member for St. John's East. I ask the Prime Minister, as an interim measure as he goes about reassessing the value of the consumer price index, whether for starters he is now prepared to issue an order reinstating immediately the consumer subsidy on fluid milk so that Canadians are at least ensured of an adequate diet.

**Right Hon. P. E. Trudeau (Prime Minister):** Mr. Speaker, that question has been asked and answered many times before.

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### FINANCE

#### EFFECT OF DEPRECIATING CANADIAN DOLLAR ON CONSUMER PRICE INDEX

**Mr. Gordon Ritchie (Dauphin):** Mr. Speaker, I have a question for the Minister of Finance. As the cost of imported products is a large factor in the CPI, and since the minister has stated repeatedly that inflation is world wide, can he tell the House whether the rise in the CPI has been markedly accelerated by the depreciating Canadian dollar which has gone down 30 per cent against the German mark since the Minister of Finance took office?

**Hon. John N. Turner (Minister of Finance):** Mr. Speaker, the Canadian dollar has kept pretty well at par with the U.S. dollar as that currency has depreciated, which has to a certain extent left us more open to world wide inflationary trends, but not markedly yet.