

Oral Questions

Mr. Trudeau: Mr. Speaker, we have told the House that we will be setting up an inquiry in the area of beef and cattle. I expect to have an announcement from the commissioners very soon.

Mr. Stanfield: Mr. Speaker, I have one further supplementary arising out of the statement of the Food Prices Review Board that these increases could be averted by restraint in spending and income demand. I wish to ask the Prime Minister if the food sector of our economy is going to participate in the government talks toward achieving a national consensus on inflation when these explorations start next year. Does the government have any proposals of its own with regard to food price restraint to put before the industry? Is any such policy of restraint being prepared by the action group mentioned by the Minister of Finance or is it strictly under the rule of the benign Minister of Agriculture?

Mr. Trudeau: Mr. Speaker, meetings are projected with industry both at the producer level and the distribution level. They will come under the over-all pattern of consultations which has been mentioned in the House and, of course, the excellent and benign Minister of Agriculture will be involved in the production end of the meetings. Other ministers, such as the Minister of Consumer and Corporate Affairs and the Minister of Industry, Trade and Commerce, will be involved in meetings at the distribution level.

REQUEST FOR STATEMENT ON NEW GOVERNMENT MEASURES
TO AID LOW INCOME GROUP

Mr. James A. McGrath (St. John's East): Mr. Speaker, my question is for the Prime Minister. In view of the fact that increases in food prices for the present year and anticipated increases for next year by the Food Prices Review Board and the President of Dominion Stores go far beyond the government's indexing program, as well as the other budgetary measures announced by the Minister of Finance, what new measures does the government propose to put in place to help low income families who will be adversely affected by any further increase in food prices?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am sorry I missed the preamble of the question. I did not realize it had been addressed to me. The hon. member is asking about measures. There are some in the budget which are presently before the House. I hope they will be adopted very rapidly.

Mr. McGrath: Mr. Speaker, perhaps I can redirect the same question to the Minister of Finance. In view of the fact that present increases in food prices and anticipated price increases by the Food Prices Review Board, which will be in excess of 30 per cent over a two-year period, go far beyond the indexing introduced by the minister and other measures such as increases in social welfare payments, is the government considering new measures to assist low-income earners and those on fixed incomes who will really suffer the consequences of increases in food prices?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, the hon. member is talking at the moment as if

these predictions are fact. He ought to recall that those food price figures, if they are realized, enter into the general cost of living figures. Against those figures, the old age pension and family allowances are indexed, along with measures in the budget such as increasing personal disposable income quite considerably as of January 1 when the deductions from payroll reflect the 1974-75 tax cuts. There will certainly be a good measure of relief for the consumer, particularly the low-income consumer.

GOVERNMENT POSITION ON RE-INTRODUCTION OF MILK
SUBSIDY

Mr. James A. McGrath (St. John's East): Mr. Speaker, the minister does not seem to understand or appreciate the significance of my question. Those affected most by increases in food prices are low-income workers with large families, many of whom will get no benefit whatsoever from the minister's tax measures. These are the people I am concerned about. They represent a fairly substantial portion of our population. Is the government prepared to come up with some new measures to assist low-income earners with large families who will get no benefit from the programs announced thus far by the minister? As a start, is the minister prepared to re-institute the consumer subsidy on fluid milk?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, we will review the situation. The hon. member misunderstood part of my answer. I referred to some of the allowances and pensions already indexed against the cost of living.

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THE CANADIAN ECONOMY

INFLATION—GOVERNMENT FORECASTS ON AMOUNT OF
PRICE INCREASES IN VARIOUS SECTORS OF ECONOMY

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I wish to direct my question to the Minister of Finance. Has the minister's department done any forecasting on increases in food prices as well as increases in other sectors? If so, what are the forecasts? Regardless of what answer the minister gives to that part of the question, will he advise whether he agrees with the analysis of the Food Prices Review Board that efforts to deal with inflation by the food industry cannot be separated from efforts to deal with inflation in the economy as a whole?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, in terms of our own forecast, the hon. member knows that we make them only when we have some way of predicting the variable factors that are in play. That is why we give an estimate on budget night of the growth of the economy and the total number of new jobs. When it comes to inflationary rates and unemployment rates, I have explained to the hon. member and his colleagues on several occasions that there are too many variable factors at play. Therefore, I hesitate to make a prediction that could turn into a self-fulfilling prophecy. As for the general prediction of the Food Prices Review Board, there is one element that is different in the food sector from other