

Oral Questions

President of the Privy Council (Mr. MacEachen) if I may name him as the seconder of the motion.

I therefore move, seconded by the President of the Privy Council (Mr. MacEachen):

That this House extends its congratulations to the hon. member for Cumberland-Colchester North (Mr. Coates), the hon. member for South Shore (Mr. Crouse), the hon. member for Edmonton West (Mr. Lambert), the hon. member for Saint-Henri (Mr. Loiselle), the hon. member for Hillsborough (Mr. Macquarrie), the hon. member for Cape Breton-The Sydneys (Mr. Muir), the hon. member for Timiskaming (Mr. Peters), and the hon. member for Simcoe North (Mr. Rynard), on the anniversary of their first election to parliament 20 years ago today.

Mr. Speaker: Order, please. The presentation of such a "controversial" motion requires the unanimous consent of the House pursuant to the Standing Order. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Speaker: It is moved by the hon. member for Winnipeg North Centre (Mr. Knowles) and seconded by the President of the Privy Council that this House extend its congratulations to those hon. members mentioned on the 20th anniversary, today, of their election to this House.

Motion agreed to.

ORAL QUESTION PERIOD

[English]

THE CANADIAN ECONOMY

INFLATION—SUGGESTION CONTROL PROGRAM BE ABANDONED

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is for the Minister of Finance. Since figures on today's consumer price index show that prices are up over 10 per cent on an annualized basis and controls are no longer working to slow inflation, and since the minister recently said that the underlying trend to lower inflation is evident despite today's higher prices, will he now concede controls are no longer the solution to inflation but perhaps part of the problem and announce the date immediately on which he proposes to begin decontrol?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I would have to point out that the hon. gentleman's analysis is faulty. While it is true that there has been an increase on the food price side, as he and other members have often recognized publicly the cost of imported food cannot be restrained with a controls program.

Mr. Broadbent: This was true last year, too.

Mr. Macdonald (Rosedale): It was true indeed, and the price of food will go up and down; but to blame or credit the program for that would be a mistake, and nobody has ever

[Mr. Knowles (Winnipeg North Centre).]

done that. I point out to the hon. member on the other hand that the part of the price index most effectively controlled, that is to say the non-food sector, is exactly on target with the 1977 guideline of the program.

Mr. Broadbent: That is not so.

Mr. Macdonald (Rosedale): It is down to an annual rise of 6 per cent. Perhaps I should not go further at this point, except to say that I look forward to starting the debate on this particular question on Monday, as a result of the petition which I gather hon. members will be putting forward, and we shall have, all have an opportunity on Monday to debate these issues.

INFLATION—POSSIBLE REVISION OF TARGET FOR NEXT YEAR

Mr. Sinclair Stevens (York-Simcoe): A supplementary question, Mr. Speaker. Bearing in mind today's background figure of 7.6 per cent annual inflation, will the minister say if he foresees such a relatively high level of inflation continuing for the balance of the calendar year and, based on these disappointing figures, does the government plan to revise its 4 per cent inflation target for next year? If so, what is its new target?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, the Anti-Inflation Act makes specific provision for this. I would point out that we expect the impact of the increase due to imported food prices to diminish as the Canadian crop comes on, assuming it is a favourable Canadian crop. In this regard, while it may be difficult to make the six per cent target on the overall food consumer price index we do expect a turndown.

INFLATION—DATE WHEN CONTROLS WILL BE REMOVED

Mr. Sinclair Stevens (York-Simcoe): Two weeks ago the minister stated in committee that "the economic situation throughout 1977 and into 1978 looks relatively favourable for exit from the controls program". Will the minister indicate if in view of today's inflation figures he still holds this view?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I also indicated both in committee and elsewhere, including in the green paper, other conditions which are important. As I said, I indicated to the President of the Privy Council my wish that we start the debate on the petition which, according to the media, the hon. member is ready to present. We could start that debate on Monday. On Monday I would be quite happy to go through in some detail the circumstances that will be necessary to be sure that inflation will be restrained when the controls come off. Of course, it will be useful at that time to find out what, if any, views the opposition has about that.