

THE CANADIAN ECONOMY

WAR ON POVERTY—EXTENT OF PROVINCIAL CONTROL

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): I should like to direct a question to the Minister of Forestry. It arises out of an article which appeared in *Le Devoir* of June 7 and a report of the hon. gentleman's speech. Is it correct that the so-called war on poverty is to be placed under provincial control at the insistence of the Premier of Quebec, as reported in that statement and in that article, which is accompanied by a picture showing the smiling faces of the Minister of Justice, the Minister of Forestry and the Postmaster General?

Hon. Maurice Sauvé (Minister of Forestry): That picture was a very good picture of a most successful meeting. I think I explained yesterday that there was some difference between the text I delivered and the headlines in the papers.

Mr. Diefenbaker: I ask simply this. Is the program in connection with the project in question to be given exclusively to the provinces to look after, and was this decided at the request of the Premier of Quebec? That is the question.

Mr. Sauvé: No, Mr. Speaker.

STEPS TO MEET REPORTED INCREASE IN COST OF LIVING

On the orders of the day:

Mr. Heward Grafftey (Brome-Missisquoi): A supplementary question relating to the war on poverty. My question is directed to the Minister of Finance, and is based on an answer given by the Minister in the House yesterday as well as on figures released during the past 48 hours showing a most disquieting rise in the cost of living, notably in relation to food, clothing and housing.

Will the Minister of Finance inform the House whether it is the intention of the Government to take immediate and specific action, thus beginning the war on poverty by alleviating the effects of serious inflation on the millions of Canadians who are living in want and who must pay these higher prices on fixed or shrinking incomes?

Mr. Speaker: Order. This question is very interesting and important but I do not see how the hon. Member can expect a detailed answer on the orders of the day. Perhaps he will put this question on the order paper.

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Inquiries of the Ministry

Mr. Grafftey: I sought to circumvent that possibility by asking whether any specific action was contemplated. However, in view of the lack of information both yesterday and today this question must be debated at ten o'clock.

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, may I put the question in these terms. With reference to the statement made by the Minister of Finance yesterday to the effect that in the past 12 months the cost of living has risen 2.2 per cent, and in view of the fact that the report of the Economic Council says that a 2 per cent annual increase is the maximum that should be allowed, I want to ask the Minister of Finance whether the Government has any plans to deal with the situation in the event that this trend continues beyond the danger point, which it has already passed.

An hon. Member: That is the same question.

Hon. Walter L. Gordon (Minister of Finance): In the first place, Mr. Speaker, I think I should say a word about one or two—

Some hon. Members: Order.

Mr. Gordon: —of the hon. gentleman's comments.

Mr. Speaker: Order, please. It does seem, in fairness, that if the question of the hon. Member for Brome-Missisquoi is to be placed on the order paper perhaps—the second so-called supplementary is just an elaboration of the first question—then perhaps the hon. Member for Burnaby-Coquitlam would also put his question on the order paper.

Mr. Douglas: On a point of order, Mr. Speaker, I am not asking the Minister for any detailed information at all; I am asking him simply whether the Government has any plans to cope with this problem if the present rising trend in the cost of living continues beyond the danger point. All the Minister has to say is yes or no.

Mr. Gordon: Mr. Speaker, in view of the comments and speeches that have already been made on this subject I think I should perhaps make a remark or two. In the first place, the Economic Council to my knowledge have never suggested that any particular increase in the cost of living or in prices was desirable. They did suggest in their review that in working out their model they had arbitrarily taken into account an average increase of 2 per cent.