

*Oral Questions*  
**AGRICULTURE**

INQUIRY AS TO PROPOSALS OF INTERDEPARTMENTAL  
COMMITTEE TO CONTROL FOOD PRICE INCREASES

**Mr. James A. McGrath (St. John's East):** Mr. Speaker, may I direct my final supplementary question to the Minister of Agriculture? As food prices increased substantially, by 3.3 per cent last month, and as this price rise will be aggravated by the Minister of Finance's budgetary proposals for increasing the price of fuel and gasoline, is the minister prepared to tell the House what is the position of the so-called interdepartmental committee of senior officials which was set up to consider the matter of food; also, has this committee put forward long-term, comprehensive and cohesive national food policies which will counteract the disastrous ad hoc policies of the Minister of Agriculture?

● (1110)

**Hon. E. F. Whelan (Minister of Agriculture):** Mr. Speaker, the hon. member has to be realistic and recognize facts. The food producers are subject to extra costs the same as anyone else in this nation, and that includes the handlers. These are there. They have to be recognized. We have to make sure we keep producers in business. We have to keep them producing food or we will have the same situation that occurred in the pork industry where people went out of business because the returns just were not there. There was no security for them. Consumers are now paying a higher price for pork than they have paid in the history of Canada.

**Mr. Speaker:** The hon. member for Don Valley.

**Mr. McGrath:** The minister did not answer my question, a favourite trick of his. Where is the interdepartmental food co-ordinating committee?

**Some hon. Members:** Hear, hear!

**Mr. Whelan:** Mr. Speaker, the committee is active. I can say this, if the hon. member has any constructive suggestions, we would like to hear them.

**Mr. McGrath:** I suggest that the Minister of Agriculture do us all a favour and resign forthwith.

**Some hon. Members:** Hear, hear!

**Some hon. Members:** Oh, oh!

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**THE CANADIAN ECONOMY**

EFFECT OF INFLATION RATE IN OTHER COUNTRIES ON  
CANADA—MINISTER'S POSITION

**Mr. James Gillies (Don Valley):** Mr. Speaker, my question is for the Minister of Finance. Given the fact that in most industrialized countries of the world the rate of inflation has declined, contrary to the trend in Canada, and given the fact that the minister has put such emphasis on the role of international forces in creating inflation, when does he expect the decline in the inflation rate of

[Mr. McGrath.]

other countries will have an impact on the inflation rate in this country?

**Hon. John N. Turner (Minister of Finance):** Mr. Speaker, I do not agree with the hon. member's preamble. I set forth the matter as fully as I could to the House two weeks ago.

EFFECT OF GASOLINE TAX ON INFLATION—SUGGESTED  
RECONSIDERATION

**Mr. James Gillies (Don Valley):** Given the fact that the budget is considered by most observers to be highly inflationary, and given the fact that the inflation rate is obviously higher than he had anticipated when he brought down the budget, will the minister give some consideration to re-examining some of the measures in the budget, particularly the ten cent gasoline excise tax which will add another point and a half to the inflation rate in August or September? Will the minister give some consideration to changing his views about some of the measures in the budget before this parliament rises?

**Hon. John N. Turner (Minister of Finance):** Mr. Speaker, I said in the budget debate and since that there would undoubtedly be some short-term adverse economic effects as a result of the budget, including against the cost of living and the growth potential of the economy, but that we had to recognize that we in this country are still enjoying oil prices lower than those of any other industrialized country in the world. I said that in order to achieve the medium and long-term prospects of the country in bringing in new energy reserves, the country would have to accept the short-term adverse effects for the medium and long-term benefits that I set forth in the budget. The ten cent tax which we are now debating in this House is necessary in order to preserve a national oil price of \$8 a barrel against a world price of \$12 a barrel. It is because of these reasons these measures were taken.

GOVERNMENT MEASURES TO CONTROL INFLATION—  
POSSIBILITY OF PROCEEDING WITH VOLUNTARY RESTRAINT  
PROGRAM

**Mr. James Gillies (Don Valley):** Given the fact that inflation rates are higher in Canada now than they have possibly ever been in history, and given the fact that the budget is inflationary and will add to it, can the minister tell us what the government will be doing over the recess to try to get inflation under control? More specifically, is the minister going to proceed and push hard to try to get his voluntary restraint program in operation?

**Hon. John N. Turner (Minister of Finance):** Mr. Speaker, the hon. member is again wrong in his premise. Even with the abrupt increase in the price index announced this morning, the year over year increase, while higher than that in May, is lower than that of any month in the last 12.