

temporary freeze lasting 60 or 90 days, as suggested by some members of the House, could not possibly do any good for the consumer since it would store up a likely larger increase in the cost of living at the end of that period, I ask the Prime Minister whether the government is giving favourable consideration to implementing the recommendation of the report of the Special Committee on Trends in Food Prices that an effective prices review board be established?

**Right Hon. P. E. Trudeau (Prime Minister):** Mr. Speaker, we did discuss this matter, and we are very impressed by the serious nature of the work done by the committee. I hope we shall be in a position to make an announcement on our attitude toward its report in the not too distant future.

FOOD PRICE INCREASES—SUGGESTED QUARTERLY  
ADJUSTMENT OF PENSIONS AND SUPPLEMENTARY  
PAYMENTS TO WELFARE RECIPIENTS

**Mr. David Lewis (York South):** Mr. Speaker, I should like to address a supplementary to the Minister of Finance in the hope that he will consider very carefully a suggestion which has probably been made to him by many others. In view of the fact that an increase in the cost of food in particular continues to take place regularly every month and is likely to continue for some time, will the minister give serious consideration to adjusting the old age pension and similar payments quarterly in accordance with the rise in the cost of living, rather than annually, and also give serious consideration to providing funds for supplementing the incomes of welfare and similar recipients in order that they and their families may be able to enjoy a better diet?

**Hon. John N. Turner (Minister of Finance):** Mr. Speaker, the hon. gentleman knows that part of the philosophy of the May and February budgets was to protect Canadians on fixed incomes, particularly those whose earning days are over, from rising prices. It is my view that we certainly would not fight inflation on the backs of the senior citizens of this country. I will take the hon. member's suggestion into consideration.

INCREASED FOOD AND SHELTER COSTS—REQUEST THAT  
PRIME MINISTER MAKE STATEMENT CALLING FOR  
HOLDING THE LINE

**Mr. James A. McGrath (St. John's East):** Mr. Speaker, my question is for the Prime Minister. In the light of the staggering increases in the cost of food and shelter, and in the absence of positive government action, may I ask the Prime Minister whether he, as the leader of this country, in the interests of the poor and those living on fixed incomes, is prepared to make a statement calling upon the food industry and all other segments of the economy to hold the line, or the government will be forced to take action?

**Right Hon. P. E. Trudeau (Prime Minister):** I thank the hon. gentleman for suggesting a policy to the government.

*Oral Questions*

**Mr. McGrath:** In view of the fact that a special committee of the House was set up to look into this problem, and in view of the failure of the country to respond to the request of the Minister of Finance in his budget statement of February 19, may I ask the Prime Minister, because the question is urgent, whether he will issue a call to the country to hold the line against these staggering increases in the cost of shelter and food which are having such a disastrous effect on the poor and those living on fixed incomes?

**Mr. Trudeau:** The hon. member credits any Prime Minister with a great deal of strength if he thinks that by making such a call he will obtain automatically the result he suggests. The House will recall that four years ago we did hold a series of conferences with industry, the provincial governments and business in which we indicated the importance of fighting inflation. I do not believe we received much support from the hon. member and his colleagues at that time.

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[Translation]

FINANCE

BORROWING BY QUEBEC IN UNITED STATES—INQUIRY  
WHETHER LOAN SOUGHT FROM BANK OF CANADA

**Mr. Réal Caouette (Témiscamingue):** Mr. Speaker, I would like to ask a question of the Minister of Finance regarding the \$125 million loan just taken out by the government of Quebec on the U.S. money markets.

Does the minister know if the province of Quebec has asked the Bank of Canada for this \$125 million loan?

**Hon. John N. Turner (Minister of Finance):** I doubt that very much, Mr. Speaker.

INQUIRY RESPECTING STATEMENT BY BANK OF NOVA  
SCOTIA VICE-PRESIDENT

**Mr. Réal Caouette (Témiscamingue):** Mr. Speaker, I would like to ask a supplementary.

The vice-president of the Bank of Nova Scotia just stated that if banks were authorized to include treasury bonds and short term provincial bonds in their statutory reserves, this would lower interest rates. I would like to ask the minister if he intends to take into serious consideration the suggestion made by the vice-president of the Bank of Nova Scotia who is asking, on behalf of the chartered banks, the right to include provincial government bonds in their statutory reserves.

**Hon. John N. Turner (Minister of Finance):** As the vice-president is backed up by the leader of the Social Credit Party of Canada, I shall take this matter into very serious consideration, Mr. Speaker.

**Mr. Caouette (Témiscamingue):** Mr. Speaker, I should like to put a supplementary question.

If the vice-president supports me, does the Minister of Finance expect that the president of the bank will support him in that same field?