

*Oral Questions***CONSUMER AFFAIRS****SUBSIDY ON DOMESTICALLY CONSUMED WHEAT—REQUEST WITHDRAWAL BE OVER THREE YEARS**

Mr. James A. McGrath (St. John's East): Mr. Speaker, I should like to direct a supplementary question to the right hon. Prime Minister. It has to do more with facts than with the forecasts of the Minister of Finance.

I want to ask the right hon. Prime Minister—indeed, I plead with him on behalf of low income earners in this country and people on fixed incomes, because he alone has the power to turn this back—will he now bring in a measure or a policy whereby the withdrawal of the consumer subsidy on domestically consumed wheat will be phased out over a period of three years? Otherwise, the consequences are that low income earners and fixed income earners in the country, who lean heavily on bread and pasta as a very important part of their diets, will be faced with substantial increases in the order of 15 per cent to 20 per cent.

As of January 1, the price of bread will rise by seven cents a loaf, the biggest over-all increase in the history of the country. The Prime Minister has the power to change that. I ask him, I plead with him, will he?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I answered that very question when it was asked by the hon. Leader of the New Democratic Party some weeks ago. I indicated to him that the policy of the government is not to subsidize bread to all consumers, including the very rich and medium rich people. Our policy is to help those who need help. That is why we increased family allowances and that is why we increased old age pensions at the time we were phasing down this subsidy.

If the hon. member is interested in helping the consumer, I am surprised his party did not support the Minister of Energy, Mines and Resources when he was trying to get support for delaying the increase of \$1 a barrel in oil prices. That was a great occasion to help the consumer and to help industry in Canada—

An hon. Member: We did. You do not know what you are talking about.

Mr. Trudeau:—and the other side was very silent on it.

Some hon. Members: Hear, hear!

Mr. McGrath: Mr. Speaker, certainly I would commend the Prime Minister for what is happening if only he would do for bread prices what he is doing for energy prices, that is, phase in the world price of wheat so that it will not hit heavily on low income earners. I remind him that wage increases in Canada are running at 5.95 per cent, as opposed to the 8.8 per cent annual rate of inflation. This means that wage earners are falling behind.

Some hon. Members: Order.

Mr. Speaker: Order, please.

[Mr. Chretien.]

Mr. McGrath: In view of the inflationary situation, produce prices will be rising. We know that the price of bread will rise by at least seven cents. Before the price of bread rises by seven cents per loaf as of January 1, will the Prime Minister bring in a measure whereby this can be phased in gradually over a period of three years, so as to minimize the impact on low income earners?

An hon. Member: Question.

Mr. McGrath: If the Prime Minister has any compassion, surely he will answer that question in the affirmative.

● (1422)

Mr. Trudeau: I recognize that that is a repetition of the same question.

Mr. McGrath: Of course it is a repetition, and I make no apology for it.

Mr. Trudeau: I will repeat the same answer. The policy of the government is to help those in Canada who need help. It is not to subsidize everybody, which seems to be the Tory policy.

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THE CANADIAN ECONOMY**INQUIRY AS TO WAGE CONTROLS IN 1979**

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is to the Prime Minister: it is on the consumer price index. As the Prime Minister knows, wages went up by about 5.8 per cent last year and the increase in the cost of living was about 8.8 per cent. Therefore, there is a real loss in purchasing power for the average Canadian worker.

In light of some speculation that wage controls might be brought in, and in light of the Prime Minister's words on this at the first ministers' conference, can he assure us we will not see any wage controls in 1979, so that the Canadian worker will at least have a chance to catch up to the cost of living?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, this form of question really cannot be answered very simply. The hon. member recognizes, I am sure, that the real income of Canadians has gone up consistently over the past decade, including the present year. Therefore, workers, like all other Canadians, on average received more income this year than last year, in real terms, taking into account the rise in inflation. It is true that the cost of living has gone up faster than we had anticipated and, indeed, I believe faster than the labour movement anticipated.

The government has taken many occasions to congratulate the labour movement for the sense of restraint they have exercised. They realize—and I hope the hon. member realizes—that the increase in the cost of living came essentially from the lower value of the dollar and increased prices of imported food. Against this, the government cannot guarantee any class or any group of the population. Therefore, it is