

*Oral Questions*

blame us for inflation; it is the falling dollar". What will he do about the falling dollar?

**Mr. Speaker:** Order, please.

**Mr. Trudeau:** Mr. Speaker, I understand there is only a difference of degree but not of principle between the hon. member and us. He wants a 90-cent dollar and it is an 84-cent dollar. But the effect would be the same: a 90-cent dollar would have a negative effect on the cost of living in Canada.

The hon. member wants to know what we can do. We know what they would do: they would have an increased deficit, and that is not our answer.

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

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

## PLANS FOR POST-AIB MONITORING PERIOD

**Mr. Sinclair Stevens (York-Simcoe):** Mr. Speaker, based on the expenditure figures which will become public later this afternoon we can see the astounding deficit the government is leading us into.

Again I direct a question to the Prime Minister. Last Thursday, he indicated that the federal government had other plans for the post-AIB monitoring period, that is, other plans than the setting up of the Centre for the Study of Inflation and Productivity. Would he reveal to the House what these other plans are, and is the government now considering instituting them in view of the fact that inflation is obviously getting out of control again?

● (1420)

**Right Hon. P. E. Trudeau (Prime Minister):** Mr. Speaker, I believe the answer was given in answer to a question by the hon. member for Windsor West who was asking if we were prepared to give some stronger investigative powers to the Centre for the Study of Inflation and Productivity, and I said we were considering this.

## STRATEGY TO CURB RISING FOOD PRICES

**Mr. James A. McGrath (St. John's East):** Mr. Speaker, I should like to direct my question to the Prime Minister. In view of the fact that the consumer price index today identified sharp increases in food prices, confirming the prediction of the Minister of Consumer and Corporate Affairs last week where-in he predicted food prices would go up 14 per cent over the next few months, would the Prime Minister tell the House whether the government has a food strategy to deal with rising food prices as suggested by the Minister of Consumer and Corporate Affairs in Winnipeg last week and, if so, when are we going to hear about it and how far will food prices rise before the government acts?

**Right Hon. P. E. Trudeau (Prime Minister):** Mr. Speaker, I believe the hon. member shares with us the belief that the

[Mr. Stevens.]

producers of food in Canada should be encouraged to reach the stage of stability but that they should not be controlled either during the period of controls or between periods of controls. The producer is left free and we have never attempted to control his produce at the farm gate. He sells on a free market.

In so far as what happens to the food after that is concerned, the hon. member knows that we held a study into the processors and distributors and it was not found that there were excess profits there.

**Mr. McGrath:** Mr. Speaker, I am not suggesting to the Prime Minister that we should reimpose controls, because we saw how ineffective they were. What I am asking the Prime Minister is, does the government intend to produce a co-ordinated food strategy, given the fact that we have at least five government departments actively involved in this area, each one acting separately and each one influencing the food component under the CPI? This needs co-ordination and obviously someone has to step in between the Minister of Consumer and Corporate Affairs and the Minister of Agriculture. Will the Prime Minister say whether or not there is going to be this kind of co-ordination within the government so we will know where we are going in terms of food policy?

**Mr. Trudeau:** Mr. Speaker, if the hon. member had been following this subject, he would recall that there was a meeting here in Ottawa not only with the ministers involved but also with the various producers and distributors. They discussed this matter. I would remind the hon. member that about 30 per cent of the food we consume is imported and those prices are affected, as I was telling the hon. member for York-Simcoe, by the falling dollar. That is one of the main causes of food prices having gone up.

As the hon. member knows, one of the main reasons the food index has gone up this month over last month is the importation of fresh fruits and vegetables. Naturally, if in the winter you want to import such things from southern climes, you must pay a premium because of the fall of the Canadian dollar.

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## CONSUMER AFFAIRS

## STEPS TO ENSURE REDUCTIONS IN SALES TAX PASSED ON TO CONSUMERS

**Mr. James A. McGrath (St. John's East):** Mr. Speaker, perhaps I could direct one final supplementary question to the Minister of Consumer and Corporate Affairs, who seems to be more realistic than the Prime Minister in terms of his predictions.

In another area affecting the CPI, a non-food area, we have noticed an increase in the price of automobiles notwithstanding the fact that the government has already decreased by three points the federal sales tax on automobiles. What has the minister done to monitor this situation to ensure that this