

Oral Questions

PROJECTED INCREASE IN FOOD PRICES

In the midst of this economic crisis which the minister knows will lean heaviest on the poor, the working poor, the unemployed and the old age pensioners of this country, and given the minister's statutory responsibilities as minister of welfare for this country, what steps does she propose to recommend to her colleagues so that low-income Canadians will at least have enough money to spend on heat and food?

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, I was not in the House on Friday, and I have not read the context of the answer, but everybody knows, especially those people mentioned in the answer of the Prime Minister, about the commitment of the Prime Minister and the government to them. The last increase we obtained of \$525 million in July of this year taken through the surtax on corporate profits has been translated into a \$35 increase per month in addition to the usual indexation every three months. We have decided to maintain indexation the way it is. That is the best way we have every three months of catching up with the exact increase in the cost of living. I think that is a very serious response to a concern which is felt by all at this time.

Mr. McGrath: Madam Speaker, I do not know on what food basket the minister bases her assertions. Given the escalated rise in the price of food, estimated at anywhere between 15 per cent and 20 per cent—and that includes increases in the prices of eggs, bread and milk—because increased energy prices, fuel oil prices and food prices have all but eaten up the \$35 increase in the guaranteed income supplement, and given the projected one million unemployed next year, is the minister at least prepared to tell the House that she will give consideration to entering into discussions with her provincial colleagues to see what help the Government of Canada can provide to low income earners, the working poor, the unemployed and the old age pensioners of this country who will suffer because of the actions of this government? The minister has the power to do that under the Canada Assistance Plan. I ask her if she will at least take that into consideration.

Miss Bégin: Madam Speaker, I have just completed a two-day federal-provincial meeting with my colleagues, the ministers of social affairs of Canada. Some of them told me that they do not accept my raising the GIS by \$35. I do not know if they will say that publicly. Our stand is still that as soon as the economy permits we propose to increase the benefits of single pensioners to put them just above the poverty line in order that all seniors in the country will be above the poverty line.

The hon. member asked what food basket we used to calculate indexation. I have gone through theoretical exercises to analyse the food basket and to see how it affects seniors. Other proposals put to me would leave seniors worse off than the actual indicators we use. The Conservative party has the philosophy that indexation of social programs feeds inflation. We will retain the full indexation of social programs.

Mr. Edward Broadbent (Oshawa): Madam Speaker, having heard the last part of that answer, which was quite laudable, we will see what the Liberal party is prepared to do about the poor in general. Last weekend the Prime Minister suggested to Canadians that, because of the increase in food costs, they should change their priorities. The Agricultural Outlook Conference which concluded yesterday stated that food prices will go up as much as 20 per cent next year. Low-income earners in general—not just pensioners—spend some 31 per cent of their income on food.

My question is directed to the Prime Minister. Will he say today that the government will take special measures now for all low-income Canadians so that they will be able to continue to eat the things they need? Because they cannot afford to change their eating priorities unless they stop eating entirely.

● (1430)

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, as the Minister of Finance said in answer to an earlier question, we cannot predict with certainty what the situation will be in the course of next week. The hon. member is asking a question based on his assumption of what the figures will be next year. He is like the former minister of finance who is basing his questions on the assumption that there will be one million unemployed next year.

An hon. Member: That is your minister's assumption.

Mr. Trudeau: The Minister of National Health and Welfare has just answered the question asked by the Leader of the NDP by indicating that the policy of this government was to help first those who need it most, and that will be our policy in the years to come.

Mr. Broadbent: Madam Speaker, the Prime Minister's own Minister of Finance made a forecast of the rate of inflation for next year which was just as bad as the inflation in the current year and, as everyone knows, if the forecast is going to go anywhere, inflation is going to be marginally worse, if not substantially worse, rather than better than the forecast. Therefore, the Prime Minister's answer is no substitute for programs to meet the food needs of the poor in the country.

I should like to ask him the following question on a related matter. Since the spread between what the farmer is getting for what he produces and what the consumer pays, according to the most recent data, has actually increased, providing good grounds or good cause for profits for companies such as Loblaws, which went up by some 30 per cent recently, and IGA, which went up by some 33 per cent, will the government demonstrate its concern, at least at this level, for food prices by having a fair prices commission which would have the authority to investigate price increases and, where they are unjustified, order rollbacks?

Mr. Trudeau: Madam Speaker, had the Leader of the NDP listened to the answer given by the Minister of National Health and Welfare he would have had the answer to his