

Oral Questions

intention at Geneva and in the MTM agreements to continue to reduce its trade barriers and its tariffs so as to better assist the realignment of the trading world. At this time, especially, our currency having depreciated by some 35 per cent in relation to the Japanese yen, we are in a position to do a considerable amount of business with that country.

The House might be interested to learn that one of the items upon which Japan has reduced its tariff is Canadian maple syrup. They have reduced their tariffs on 318 articles in all.

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FINANCE

FORECAST OF REAL GROWTH

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, my question is for the Minister of Finance. As the real domestic product for the first quarter advanced at a disappointing annual rate of 2.4 per cent, does the minister still hold to his forecast of 5 per cent real growth for the year, especially as many competent observers consider the economic performance will be weaker in the latter half of the year than in the first half?

[Translation]

Hon. Jean Chrétien (Minister of Finance): Mr. Speaker, I make a regular review of these forecasts with the officials of my department, and I do not have any reason to change those we made to the effect that we are going to achieve an economic growth of close to 5 per cent for the year 1978.

[English]

Mr. Ritchie: The \$100 tax cut of January-February having failed to accomplish its purpose of restoring consumer confidence, as evidenced from poor retail sales figures and the sharp decline in manufacturing output, is the minister now ready to admit the failure of this cut?

Mr. Speaker: Order, please. The hon. member for Yorkton-Melville.

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CONSUMER AFFAIRS

INCREASE IN PRICE OF SKIM MILK POWDER

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. It concerns the price increase of skim milk powder partially brought about by the Scrooge-like personality of the Minister of Agriculture—

Some hon. Members: Oh!

Mr. Nystrom:—who on April 1 removed the 34 cents a pound subsidy from this product, adversely affecting consumers. We have now seen that the average price increase is around 45 cents to 46 cents per pound, not 34 cents per pound. Is the minister aware of this and, if so, what steps does he plan

[Mr. Horner.]

to take in the face of what appears to be blatant profiteering by some of the companies? Does he intend to demand a rollback? Will he inquire into the reason for this price increase?

Hon. Warren Allmand (Minister of Consumer and Corporate Affairs): Mr. Speaker, I am continually working with the Minister of Agriculture to provide better food for Canadians at lower prices. He is a very co-operative minister.

Some hon. Members: Hear, hear!

Mr. Allmand: I shall be pleased to look into the allegation which the hon. member has made, and to consult with my colleague.

Mr. Nystrom: I want to know whether the Minister of Consumer and Corporate Affairs will demand that the companies roll back this increase, rather than profiteer at the expense of the ordinary people of this country. At the same time, as the minister representing consumers in cabinet, will he demand of his colleagues that they reinstate the subsidy on skim milk powder which is so badly needed by the poor, by children and by older people?

Mr. Allmand: I shall be pleased to examine this subject, and if there is profiteering we shall take appropriate action. I might say that my officials and I are continually making representations on behalf of consumers before cabinet and committees.

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[Translation]

FINANCE

QUEBEC ATTITUDE CONCERNING SALES TAX

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, my question is directed to the Minister of Finance. In a report published recently, the Department of Industry, Trade and Commerce states that 122,000 of the 262,000 workers in the four industries of textiles, clothing, footwear and furniture work outside Quebec and that the proposal to abolish the sales tax on those four products in this province will increase employment and stimulate purchases throughout Canada. The question I want to ask the Minister of Finance is this: how can the minister and the right hon. Prime Minister maintain that the proposal made by the National Assembly helps only the province of Quebec?

Hon. Jean Chrétien (Minister of Finance): Mr. Speaker, in this respect we are only echoing the claims of the Parti Québécois. When Mr. Parizeau announced that measure, he said he was concerned only with the interests of Quebec. In the advertising sent out by members of his party, the premier quoted part of a publication to the effect that all that has been done was with the single purpose of stimulating only the Quebec economy and not the Canadian economy.