

**Mr. Stevens:** I say that, Mr. Speaker, based on the fact that in the years that my party last governed this country the average inflation per year was 1.7 per cent. In the succeeding years during which we had a Pearson government inflation crept up to 2.6 per cent on average per year. In the first year of the Trudeau government in 1968, inflation got up to 4.2 per cent under the mastermind who now leads the Government of Canada. By 1972 it had reached 6.6 per cent, and currently it is running at the rate of 7.7 per cent per annum. That is Trudeau government in action.

Let me put it another way. The minister to whom I have referred indicated that somehow rising food prices are something of a world nature and that we are caught up in them in Canada.

**Mr. Railton:** Quite right.

**Mr. Stevens:** In answer to certain backbenchers opposite, I would like them to explain something with respect to the July cost of living figures. Unfortunately, we do not yet have the August ones. I would like them to explain the July figures which in the United States, on an annualized basis, show that their food prices were rising at the rate of 6 per cent per year, whereas on an annualized basis, food prices in this country were going up at 22.8 per cent per year. That is just July, on an annualized basis.

**Mr. Railton:** That's no good.

● (2140)

**Mr. Stevens:** It is all very well for the minister to try somehow or other to confuse the issue. It is perhaps natural for the government to attempt to get the spotlight off its own ineptitude. However, I am interested that neither the members of the government nor their socialist companions to my left at any time indicate there is certainly at least one other contributing factor to inflation, and that is runaway government expenditure. I believe it is interesting to note that the year before this government took power in Canada, total government expenditures of all governments in Canada, be they federal, provincial or municipal, were slightly over \$21 billion. It now appears that in this year alone this government will spend that amount of money at the federal level. Surely that is a clear indication that this government's runaway spending has to be inflationary in this country.

Certain government members say, "Thank God". I do not know if they refer to their leader, but I would point out that if they are thanking God they may also consult the Bank of Canada Review for August, because there they will find the impact of their spending which indicates that government expenditures, based on 1961 equalling 100, have an index of 189.6, almost 90 per cent higher on an index basis than the same expenditures in 1961. I would point out, also, that most of the increase has taken place since 1967. In 1967 the index was 131.5, whereas today it is some 50 points higher at 189.6. Surely if the minister had been a little more candid with us he might have admitted that one of the causes of inflation has been their aggressive spending program.

If I may, I should like to bring this matter into perspective. It is one thing to talk about rising government expen-

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ditures, but I believe it is also significant to relate it to the gross national product. The fact is that government expenditures in this country have been rising at such a rate that they are now approaching 40 per cent of the total of our gross national product. The leading country in the world with regard to government expenditures in relation to gross national product—at least in the free world—is Sweden. We find that socialist nation has only now touched 42 per cent so far as government expenditures in relation to gross national product are concerned.

For those who are interested in a welfare state such as Sweden, to which this government tends to be leading us, assisted by the socialists to our left, and for those who are interested in the future that lies ahead of us, I recommend they read an article in the *United States News and World Report* of July 30 in which it is said the Swedish people are very unhappy at the present time and the government faces an election in which it is likely to be voted out of power for its inept handling of the economy, as is the government of this country to be voted out of power for its inept handling of our economy.

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

**Mr. Stevens:** But to put this in a little different frame, when we speak about food prices and hint that somehow our prices are no worse than can be found in other sections of the world, particularly the United States, I think it is only right to be specific. I conducted a survey as to food costs in such cities as Ottawa, Toronto, my own riding of York-Simcoe, New York, Chicago, Cleveland and Buffalo, and I believe it is interesting to find that because of mishandling by this government it is now true that one can buy the items which we included in our shipping list more cheaply in a city such as Buffalo than in Ottawa, or in my riding of York-Simcoe.

In fact, the skyrocketing Canadian food prices have now overtaken the price levels in United States cities, yet average Canadian earnings are still nearly 20 per cent lower than comparable United States earnings. Surely it becomes a little ridiculous to have a minister of this government come into the House after this situation has been created at least partly by the government's mishandling of the economy, and ask us to please pass this bill to give relief to those who are suffering, some 7½ million children, because of their inflationary problem.

I should like to point out that I also purchased in November, 1970, the same 15 items I mentioned in the last survey, at a time when the Prime Minister of this country said that inflation in Canada had been licked. At that time—November, 1970—those items could be purchased for \$9.97. Today, in my riding, they cost \$14.70.

**An hon. Member:** We know that. That is old stuff.

**Mr. Stevens:** Mr. Speaker, the hon. member says, "That is old stuff". I have to agree that it is old stuff under this government. If the hon. member is serious, then he is saying that it is now old stuff to have food prices rising at such a rate, for food prices to rise 47% in 33 months.

Since December, 1970, the Canadian consumer price index has risen 60 per cent faster than the United States consumer price index, and our food index has jumped 25