

with major industries, both goods-producing and service industries, within this country.

What we have had, instead, is a government which has operated as some kind of remote island, knowing its programs and policies only unto itself. We have a government that talks of mysterious contingency plans that somehow never seem to exist except in the minds of an occasional minister who dares to talk about them. When conferences are held between federal and provincial governments, the federal government seems either afraid to discuss or is incapable of discussing realistically some of the basic problems of inflation today.

This is not giving leadership. One might even say it is not even the effect of following a good idea. It seems to me we are faced with a government that is committed to only one principle, one purpose, one path, and that is survival. Not survival, I might say, for the benefit of the Canadian people but primarily survival for itself. That surely must be to a great extent an indication of the poverty of political action and philosophy of this government.

It is ironic that we are having this debate on the eve of the national policy conference of the Liberal party. I do not see how there can be any sensible discussion of policy when the government refuses to deal with any policy matters in a way that makes them at least seem to be concerned about, interested in and able to deal with satisfactorily the cost of living today. How can there be consultation with its own members on matters of policy when this government fails to consult with any responsible sector of the economy, whether it be in the area of management, labour or governmental activity? How can they discuss policy when they continue with a group of advisers who have given the government one set of disastrous ideas after another?

How can they talk about policy when they are still committed to pursuing the same policies introduced earlier this year so disastrously in the budget of February, and the government still indicate no willingness or desire to move to a new budgetary recognition of the problems we are now facing? The time has now come for action, and this is the reason for this prolonged debate. If this prolonged debate, no matter how much longer it lasts, produces nothing else than having the government finally take this problem seriously, then we will have achieved a great deal for the Canadian people.

● (0120)

**Mr. Cyril Symes (Sault Ste. Marie):** Mr. Speaker, I welcome the opportunity to speak in this emergency debate on the cost of living, although I do not relish speaking at 1.20 in the morning.

The situation in the country as far as the cost of living is concerned has reached a crisis stage. We now have the highest recorded rise in the consumer price index since the Korean war. Food prices have gone up 14.7 per cent in the last 12 months, the mortgage rate is up to 10 per cent, and the price of the average house has gone up 14 per cent in the last six months. If this upward trend continues in the consumer price index, by the end of the year a Canadian family will have lost about \$400 in purchasing power, which will only be partially offset by recent government measures.

### *Cost of Living*

The situation in my constituency of Sault Ste. Marie is not very bright. Last month Sault Ste. Marie was the second most expensive city in Canada in which to buy food. A basket of food that cost \$16.14 in St. John's, Newfoundland, cost \$15.69 in Sault Ste. Marie and \$13.57 in Toronto. Basic foods in northern Ontario traditionally cost more than in the southern part of the province, and as the cost of living increases we in the north suffer more. Milk in my constituency is now selling at 49 cents a quart.

When we look at price patterns over the past few months we see alarming examples of increases in the cost of basic foods, foods that children and adults need for an essential and proper diet. For example, last May a dozen eggs cost 77 cents, by August the price had risen to 83 cents and this month eggs are selling for 97 cents a dozen in my constituency. The price of bread has risen from 35 cents a loaf in May to 38 cents a loaf, although the cost was down a bit in August to 32 cents a loaf. The cost of a pound of hamburger rose from 92 cents to \$1.15 and is now down to \$1.12. A three-pound rump roast in May cost \$4.74, in August \$5.34 and in September \$5.26. The same applies to bacon, the cost of which has gone up from \$1.17 to \$1.68. We have indeed reached a crisis situation. Not only has the cost of basic foods gone up but the cost of fuel has gone up five cents a gallon in Sault Ste. Marie in the past two years. Housing costs are also up and it is now predicted that the cost of a house will increase by \$2,000 to \$3,000 in the next two years in my constituency.

Why are prices increasing? First of all, we know there is a basic increase in world demand, especially for food. This increase in demand has forced up the price in Canada. We are also told by so-called experts that poor weather has affected certain crops, especially the soybean crop in the United States upon which our farmers depend for cattle feed. This in turn has forced up the price of meat.

We also know that the cost of production has risen, as has the cost of labour, processing, handling and advertising. I suspect there is another reason for the dramatic increase in prices, and that is profiteering. When we look at some of the profits of major food processing, manufacturing and retail companies we begin to see some alarming statistics. The Weston food company in a six-month period ending August 3 showed increased profits of 63 per cent, with sales up only 17 per cent. Silverwood Industries in the second quarter had the amazing increase in profits of 107 per cent, while sales were up only 10 per cent over the same period. That great giant, Dominion Stores, had an increase in profits of 93 per cent, with an increase in sales of only 13 per cent.

It is not only the food companies that are taking advantage of the inflationary psychology. Oil companies as well are taking advantage of rising prices of international oil and oil from the mid-East. As a result, Canadians are suffering from an increase in the cost of oil and gasoline. We see companies like Gulf Oil showing an increase in revenue in the second quarter of this year of 16 per cent, with profits up 67 per cent.

The cost of land has increased astronomically, resulting in an increase in the cost of housing. A Toronto developer bought a house for \$22,000 and sold it less than two months later for \$28,000. Banks now involved in lending mortgage money have shown tremendous increases in profits. The