

*The Address—Mr. Diefenbaker*

the housing industry; we increased public works and public investment, and the figures in this regard when they are placed before the house will once more reveal that we have produced tens of thousands of jobs in consequence of that policy.

According to the 1958 report it was felt that the gross national product would remain almost unchanged with a possible increase of .7 per cent. In point of fact it increased by 2 per cent.

**Mr. Pearson:** Through inflation.

**Mr. Diefenbaker:** The hon. member says "through inflation" but I would remind him that the previous year and the year before it was in the same position when he and members of his party were boasting on this side of the house.

The 1958 economic report predicted that total wages and salaries of Canadians would decline as compared with 1957 by 1.1 per cent. Instead of that wages and salaries increased by 1.6 per cent or some \$300 million. Disposable personal income increased in 1958 by 6.3 per cent or approximately \$1.3 billion largely I will admit, by the marked increase in welfare payments. Personal direct tax declined by 7.8 per cent during the year. Agricultural cash income to which reference will be made at length, as it was in the opening speech of the hon. member for Provencher, was up in 1958 by 8 per cent. Net farm income increased 22.4 per cent although it was predicted in the report the increase would be only 3 per cent. In view of this, why these doleful statements on the part of the Leader of the Opposition describing the situation in Canada as though it were one wrapped in gloom?

Interest dividends and net real income rose by 6.5 per cent or some \$200 million in round figures. Other disposable income rose by 4.5 per cent.

The Leader of the Opposition today mentioned Mr. Muir of the Royal Bank of Canada. If I read the annual report correctly profits for the year for the Royal Bank, after providing for depreciation and income tax, amounted to \$15,868,329 as compared to something just over \$13 million in 1957.

**Mr. Benidickson:** With a conversion loan, they could not lose.

**Mr. Diefenbaker:** I mention that, Mr. Speaker, simply to illustrate how serious things are based on the measurements supplied by the Leader of the Opposition. As I have said, these increases added up to an expansion of disposable personal income in 1958 of \$1.3 billion which translated into real per capita purchasing power reveals

an increase in 1958 of 1.6 per cent compared to a 1 per cent decline in 1957. The large increase in disposable income was not all spent. Consumer spending did increase by about 4 per cent in 1958 but personal savings increased to about 9 per cent of disposable income as compared with 7 per cent in 1957.

I have before me the record from my own province of Saskatchewan which I wish to read in answer to the professional gloomsters. I shall read from the sales record of the Saskatchewan retailers for the year 1958. Retail sales reached an all time high amounting to \$883 million in round figures compared to \$848 million for 1957. Purchases per person increased by approximately \$43. Grocery and combination stores in Saskatchewan gained almost 9 per cent in sales in 1958 over 1957 while general stores had estimated sales amounting to \$83 million in round figures in 1958 as compared to \$80 million in 1957. Automobile dealers had sales in 1958 amounting to \$181 million in round figures as compared to \$177 million in 1957. The income of service station operators went down by about \$2 million to \$50,600,000. The hardware stores had a good year. I could continue to cite illustrations of increases from this record.

The Christmas season is not long past and everyone knows that not for years has there been the kind of spirit displayed on the part of Canadian consumers as was the case this year. Christmas sales increased this year beyond anything that has heretofore been recorded.

**Mr. Pickersgill:** Tell that to the people of Newfoundland.

**Mr. Diefenbaker:** With the inheritance we had of the recession and realizing there would be a certain decline in private investment, I mentioned a moment ago that this government undertook an increased program of public works and provided a massive stimulus to the housing industry, the result of which is as follows. The report predicted that new residential construction would increase by 13 per cent and largely because of this government's initiative and the action of the Minister of Public Works (Mr. Green) the amount of the increase was 23.7 per cent. These are the facts, not the type of statements that are based on generalities that are the product of the thinking of what my hon. friend calls the grass.

Carloadings are always a singularly useful indicator of changes in the economy. Carloadings made strong gains in the year and continued the upward turn taken in mid-December.