

Alleged Failure to Improve Economy

Mr. Speaker, if you have a big fence post sticking into your eye it is no consolation to have somebody point to the telephone pole that is sticking into the other fellow's eye and say that you are the better off. That is precisely the position Canadians are in today.

Let us look at the question of inflation and let us look at the cost of living index. If we look at the February issue of the Bank of Canada Statistical Summary, on page 163 we shall see that at the end of January the cost of living index had gone up to 130.3, from 128.2. In February the index, generally on average, went up another half point. True, there has been a downturn, or shall we say, a slow-down in the rate of increase in the consumer price index. Let us look at the components, food, clothing, housing and "all other". If one looks at the charts, one will see that they all, except for the food index, have pursued that same, steady relentless climb. In the immediate past, the food index has not risen because of the supermarket price war in Ontario and Quebec which now shows signs of ending, so prices are beginning to go up again.

Let us look at the clothing index. In January, 1970, it stood at 125.5; in January of this year, at 127. Housing stood at 138.1 in January, 1970; at 146.6 in January, 1971. The household operation index was 114.7 in January, 1970, and 117.4 in January, 1971. In all other items, 127.8 in January 1970, 131.4 in January 1971. I could go through the more recent lists of the Dominion Bureau of Statistics for February. I could deal with cities such as St. John's, Halifax, Montreal, Ottawa and Toronto. Health, personal care, recreation, reading, transportation, tobacco and alcohol all show substantial and steady increases from February 1970 through to February 1971.

With regard to consumer price indices, the only change that has been apparent is a four-month change in the cost of food, and that is an aberration. It is on that aberration that the government rests its case. That is the only strength in its case of stating that it has mastered inflation, because the degree of increase has been slowed down. Food represents 27 points in the total index of 100. If you can obtain a down turn in over a quarter of the items in the computation of the consumer price index, of course there will be a change. What is that change going to be in March and April when the price of food again goes up? We will then see whether inflation has been mastered. I say that merely with regard to that one particular point.

The next point is whether inflation has been contained. I wish to deal with the level of wage settlements. We know that wage settlements are being made at the same percentages and in some cases higher than one year ago. There have been some notable exceptions where the question of whether or not to close an establishment was involved. There has been some outside force that I explained and lower than average increases. In addition to the new settlements being negotiated, there are the effects on the economy of wage settlements made a year or 18 months ago on two and three year contracts. They all have major escalator clauses, most of which will come

into effect this spring. At that time, we will see an escalation in wages.

I now wish to deal with increases in wages and other returns. Executive salaries increased by 10 per cent last year. With regard to average weekly wages and salaries, there is a table which was prepared by the Prices and Incomes Commission based on information from the Dominion Bureau of Statistics. This was tabled this morning at the hearings of the Prices and Incomes Commission. I am quite prepared to put this whole schedule on the record, but if hon. members will permit, I will select certain items. If anyone would like to have the complete table printed, I can ask for the permission of the House to have this done.

In 1970, the average weekly wages and salaries increased 7.6 per cent in industrial composite, 8 per cent in manufacturing and 11 per cent in construction. The average earnings of wage earners versus salaried employees in manufacturing, based on October 1969, showed an increase of 8.3 per cent for average hourly earnings of wage earners over 1968, an increase of 7.3 per cent for average weekly earnings of wage earners and an increase of 9.9 per cent for average weekly earnings of salaried employees for the same period.

Surveys of teachers in 19 selected Canadian universities indicate that in 1969-70 salaries for all ranks increased 7.7 per cent; deans, 8.5 per cent; associate professors, 6.2 per cent; lecturers and instructors, 8.4 per cent. Average salaries for faculty of all Ontario universities increased in 1970-71 as follows: professors, 7.1 per cent; associate professors, 6.1 per cent; assistant professors, 6.2 per cent.

Executive salaries also come into the picture. The figures for the calendar year 1969 are: all executives, 10.1 per cent; general managers, 8.8 per cent; sales managers, 9 per cent; plant managers, 7.6 per cent; accounting managers, 10.2 per cent; chief engineers, 7.6 per cent; industrial relations managers, 11.3 per cent.

The figures which I have for the professions are for the year 1968. They are a little behind the time, but they give an indication. The figures are: physicians and surgeons, 6.7 per cent; engineers and architects, 3.7 per cent; lawyers and notaries, 7.2 per cent; dentists, 10.3 per cent; accountants, 17.1 per cent. These may seem to be terribly dry statistics but they are a real indication of the effects of inflationary pressures on salaries and earnings.

Mr. Faulkner: Are you opposed to all of them?

Mr. Lambert (Edmonton West): I am opposed to many of the increases.

Mr. Faulkner: Which ones?

Mr. Lambert (Edmonton West): I am opposed to increases to the degree that they exceed the increase in productivity. If that is the case, they are inflationary.

Mr. Faulkner: How do you measure that?