

proceeding at an unsustainable pace. It was just going flat out at a rate that could not continue.

If you start asking the question: What caused it? Well, the whole thing together caused it. It is true you had Centennial projects, but you had other things happening at the same time. I think I am right in saying that the proportion of capital expenditure in the Government sector has been rising for a little while.

Co-Chairman Senator CROLL: Yes, that is true.

Professor NEUFELD: I think they have been rising.

Co-Chairman Senator CROLL: Yes.

Professor NEUFELD: In that sense I think it would be a sensible statement to make that this general Government sector has been a factor behind the creation of an acceleration in capital spending that was unsustainable.

Mr. ALLMAND: I want to deal a little further with the question asked by Mr. Cameron with respect to some way of controlling prices.

On page 10, at the end of your second paragraph, you say:

"A way should be found to bring public opinion closer to the price-setting practices of all industries."

I think you made the comment at that time, "but not this kind of a committee."?

Professor NEUFELD: No.

Mr. ALLMAND: You did not?

Professor NEUFELD: No. I think the comment I made was that I was not quite sure the technique I proposed for doing this would be the appropriate one. What I had in mind was a simple publication with charts kept up to date which will show what prices are doing in various industries. I have from time to time been interested in this and every time I want to find something out I have to spend a day looking for it somewhere.

Mr. ALLMAND: You said, in answer to Mr. Cameron, companies and unions would have to justify their position before they went beyond the guidelines. What group had you in mind? Do you envisage a price review board?

Professor NEUFELD: Well, I think, as I mentioned before, this is an area in which one has to learn as one goes on. My hope would be—perhaps it is a futile one—that the justification in the first instance would be before public opinion. If the public has the information, and if it is known that the major price increases and wage increases must be justified on rational economic grounds, then in this way it might be that public opinion will have a greater impact on these prices. That is where I would start to try to bring public opinion to bear on the price setting and wage setting mechanism, and see if that works, and if it does not work then something in the nature of a wage review board and a price review board would be tried next.

Mr. ALLMAND: I forgot to mention one other thing. I was looking for specific items that might have pushed up prices in the last few years, and I thought of centennial projects. I was wondering what you thought of our wheat sales in the farm sector, which have taken up nearly all of our crop. I was wondering what effect they might have had on food prices.

Professor NEUFELD: They certainly had a good impact, coming from Saskatchewan, on farm income. I see nothing wrong with this. I think this is a very good thing, but you would get much more useful answers from the representatives of agriculture who are going to appear before you. My instinct tells me: Yes, there is something in what you say, but I do not have the knowledge to support this instinct.