Now, if that is the case, if we really do not have a general inflation, would not the cure to combat the price rises in specific areas be different from the general measures, let us say, to combat a general inflation, for example, monetary fiscal policy, cutting back on government expenditures and so forth? It would appear to me that we would take specific measures to combat the increase in food prices or in services rather than combat a general inflation.

Mr. BRYCE: I think this is an important point to consider, sir. If our problem were confined to a quite narrow front—suppose it were foods or certain types of foods—then I think we should look at it as a specific problem. However, it is really fairly widespread, as is indicated in Table 4, which I put before you, The price indices implied in figures of the gross national expenditure.

You will see there that the price increases are to be found in personal expenditures on goods and services, in government expenditures and in business capital formation.

I think we were all quite vividly conscious over the past 18 months of the increase in costs of construction. Indeed, the government's concern was focused on that front, rather than on the general price field. We felt that there was a shortage of construction capacity in labour, in management and what not, that construction costs were rising rapidly and rising relative to other things, and it was for those reasons that the government was cutting back its own construction programs and asking others to do the same. Since that time the increases have spread, until now they are now fairly widespread, as is indicated here.

I think, to try to look ahead, that the wage increases have now become sufficiently widespread that there must be in the works pressure on a lot of other prices as well. It is necessary to look ahead as best we can here and try to safeguard ourselves against the effects of these increasing costs.

Mr. ALLMAND: What percentage of our total gross national product would be in durable commodities? It would seem to me that it would be a very large percentage, and, if the price increases are so low in that area—

Mr. BRYCE: Durable consumer commodities are a relatively modest fraction.

Mr. ALLMAND: What about production durable goods?

Mr. BRYCE: They are wider and there is a greater variety there of price behaviour.

Mr. ALLMAND: What about Table 11, where you have durable commodities?

Mr. BRYCE: That is our consumer index.

Mr. ALLMAND: These would be frigidaires, washing machines, cars and so on?

Mr. BRYCE: Yes.

Mr. ALLMAND: I would like to know the percentage of production taken up by durable commodities.

Mr. BRYCE: Total consumer expenditures are around $32 billion or $33 billion, and durable goods or personal expenditures on durable goods are about between 7 and 8 per cent of the total gross national expenditure, that is 7 or 8 per cent of $56 billion which is getting on for $4 billion.

Mr. ALLMAND: What percentage is food?

Mr. BRYCE: $7 billion on food.

Mr. SALTSMAN: Mr. Bryce, what do you foresee in the next few years? I presume in order to base your policy you would have to anticipate certain conditions over the next five years. Do you foresee any easing of this pressure on our available resources?

Mr. BRYCE: That is a big issue, Mr. Saltsman. I think it is reasonable to say that our underlying position is one that makes it look as though we will have a