

Increased Cost of Living

Germany the consumer price index went up 22 per cent, in Switzerland, 24 per cent, in the United Kingdom, 26 per cent, in Sweden, 33 per cent, in France, 36 per cent and so on.

Mr. Nasserden: Will the hon. member permit a question?

Mr. Allmand: Not now; I will answer questions at the end. Although we are always dissatisfied with increases in prices we must admit that there has been good management in Canada if we could maintain, on a comparative basis, the second lowest increase in prices in the western world. In commenting on this table before the committee, Professor Neufeld of the University of Toronto made the following comments which appear at page 112 of the proceedings of the committee:

I think two rather interesting points emerge from the comparisons outlined in that table. First, the increase in the cost of living in Canada from 1958 to May, 1966, which amounted to about 15 per cent, was smaller than in any other country shown except for the United States, in which the cost of living rose by 12 per cent. If you go down the list you can see that there is a wide range in the distribution of the percentage increases in prices. All the European industrial countries, which for some purposes might be appropriate comparisons, have experienced price increases well in excess of the price increases in Canada.

As found on page 118 he said: "By international standards Canadian prices have been remarkably stable, but they have risen more than United States prices."

At page 129 he said:

The policy of the Bank of Canada over the last five years, in my view, has an excellent record. Fiscal policy has revealed, for the first time perhaps, a degree of imagination, in the budget, that had been absent for so many years.

He was referring there to the budget which was presented to the house last spring by the Minister of Finance (Mr. Sharp).

The last witness who appeared before the consumer prices committee was Professor Kragh, a Swedish economist who heads a council in Sweden somewhat similar to the Economic Council of Canada. In his testimony to the committee Professor Kragh said that Canada had a remarkable record in price stability over the last few years. He said that in his country prices had risen by quite a high degree despite many efforts by the government to keep them in line.

● (9:00 p.m.)

I noticed this afternoon that the hon. member for Danforth (Mr. Scott) criticized my [Mr. Allmand.]

colleague the hon. member for Vancouver-Burrard (Mr. Basford) for referring to statistics from the committee report, saying that they were quoted out of context. Earlier the leader of the New Democratic Party also quoted statistics from the committee reports, and in my opinion he quoted them out of context. He made certain references to the decrease in farm incomes and he made comparisons between incomes received by way of salaries and wages and income from profits and rents. I will comment on these in a moment. The hon. member for Burnaby-Coquitlam tried to show that there was a great inequity in this regard.

I should also like to refer to a statement made by Mr. Rasminsky, governor of the Bank of Canada, when he appeared as a witness before the committee. At page 335 of the report of the proceedings he is recorded as follows:

I would like to begin by reviewing, briefly, some of the highlights of the present economic expansion. This expansion has now lasted for 5½ years, and it is by far the longest expansion in our peacetime history. It has brought us some very substantial benefits. When the final results for 1966 are in, I expect that our gross national product will be over 50 per cent higher than it was in 1961 in dollar terms. I take 1961 because that is the year in which the expansion began. I say it will be 50 per cent higher in dollar terms and about 35 per cent higher in real or in physical terms.

That is what was said by Mr. Rasminsky, governor of the Bank of Canada.

In introducing his amendment the leader of the N.D.P. made reference to a table which was presented to the committee by Mr. Bryce of the Department of Finance. This table appears at page 94 of the committee report and is entitled "Gross National Product By Income Shares". It refers to the percentage of income which was credited to wages, salaries and labour. The table shows that during the period from 1949 to 1965 wages, salaries and labour income increased by 7.7 per cent.

The hon. member then compared this with the increase in corporate profits before taxes, which increased in the same period by 6.6 per cent. He then referred to the increase in revenue from rent, interest and miscellaneous investment income, which had increased by 10.7 per cent, the largest increase of the three. Then he added together these latter two items and implied that the total increase of approximately 17 per cent should be compared with the 7.7 per cent credited to wages, salaries and labour income. He then suggested that the group which was receiving income from rent, interest and investment income was clipping