

*The Address—Mr. Noseworthy*

Then on page 8, in the proposals, the government says it will design both its spending policies and its tax policies throughout the cycle to levelling up the deflationary valleys and the inflationary peaks. And again on page 8, they say that a modern government budget must be the balance wheel of the economy.

Last evening the Minister of Agriculture (Mr. Gardiner) read into the record a broadcast he made in May, 1949. Incidentally, Mr. Speaker, I suggest that it would be unfortunate if every hon. member of this house took advantage of this debate to place one of his own election speeches on *Hansard*. Others as well as the Minister of Agriculture could do that. As he pointed out, some changes have been made in the taxation policy, some reductions in income and other taxes. Probably we shall have more to say on that point when the budget is under discussion. Perhaps in the 1950 budget we can look forward to that new and quite different taxation policy of which the white paper speaks. We might even hope to see the sales tax eliminated, in keeping with the outline given in the white paper.

Another factor in maintaining a high level of employment is this:

An absolute essential in achieving this objective is to keep prices in hand.

I think we can leave it to any Canadian housewife to decide whether or not the government has carried out that policy of keeping prices in hand.

The third form of expenditure that was to maintain a high level of employment is called consumption expenditures. On page 12 it is pointed out that consumption expenditures will depend upon the maintenance and distribution of the income. Then we are assured that in addition to various social security measures such as unemployment insurance, the family allowance, agriculture and fisheries prices support acts, which were already in effect in 1945, a greater distribution of income was to be achieved by new social legislation. We were to have the old age pension from 70 years of age paid in full by the federal government without a means test. We were to have an old age pension scheme for those between 65 and 70, part of the cost of which was to be borne by the provincial governments. We were assured we were to have a health insurance scheme, also partially paid for by the provincial governments, all as a means of distributing income and maintaining a high level of employment.

Speaking in the house on February 20 on this subject of consumption expenditure, the Prime Minister said, as recorded on page 55 of *Hansard*:

Production, and with it individual consumption, has increased 50 per cent per person, in terms of real goods and services, since 1939.

I submit what we should consider is not what has happened since 1939, but what the trend has been in the last two years, 1948 and 1949. It is true that during the war years, and for the two years following the war, we made some progress in raising the standard of living of our people. But what is the picture since 1947? From 1948 to 1949, our population increased 318,000, that is 2.4 per cent. In the same year, the cost of living increased from 155 to 160.8, an increase of 3.7 per cent. Together, those percentages total 6.1 per cent.

To have the same disposable income in 1949 as in 1948, our disposable income should have increased by 6.1 per cent. If we check the figures on page 17 of the publication "Canada at the Halfway Mark", we find that our disposable income for that year increased 5 per cent, one per cent less than would be required to maintain the same consumer purchasing power as in 1948. Looking at the picture from another angle, in 1947 our personal disposable income, according to a sessional paper tabled in this house on March 23, 1949, was \$754 per capita. According to the figures on page 17 of "Canada at the Halfway Mark", our personal disposable income for 1949, in terms of the 1947 cost of living index, was \$740 per capita, a drop of \$14 per capita. This decrease of \$14 per capita amounts to about \$180 million less purchasing power in Canada in 1949 than in 1948.

I shall give you another illustration. According to a table placed on *Hansard* at page 1429, under date of March 14, 1949, by the parliamentary assistant to the Minister of Trade and Commerce, the consumption of consumer goods and services, pegged at the 1935-39 level, dropped from \$521 in 1947 to an actual \$500 in 1949. Incidentally, the forecast in that table for 1949 was \$509, an overestimate of \$9 per capita. These figures I submit, Mr. Speaker, show that the Prime Minister's statement in *Hansard* of February 20 gives an erroneous impression of consumption expenditure during the past two years, and reveals that purchasing power has been declining steadily since 1947. There is every indication that it will decline still further in 1950.

**Mr. McIlraith:** That does not follow at all.

**Mr. Noseworthy:** The fourth type of expenditure that was to maintain employment and