

Pharmaceuticals, one per cent. In health and personal care, personal care is 2.2 per cent, 1.2 is supplies, and one per cent haircuts and hairdressing. I had not realized they were such a large factor.

Co-Chairman Mr. BASFORD: Are there any questions? Now, table 12.

Mr. BRYCE: These are the same, sir, monthly figures. Now the charts. The first one, which we have already referred to is the relative movement of wage costs and the gross corporate income.

The next shows the deficit and surplus on the national accounts basis for all levels of government combined. You will notice that in the period shown here there was a small surplus, then a deficit, and now we are up to a small surplus again.

The final chart is merely to illustrate the changes in price, quantity and value of GNP each year.

Mr. OLSON: These are all changes from one year to the next?

Mr. BRYCE: From one year to the next, yes. I think that completes the set of figures.

Co-Chairman Mr. BASFORD: That completes what Mr. Bryce wants to say at this time. I am open to questions. Mr. Bell?

Mr. BELL: I just wanted to ask Mr. Bryce why he did not include any regional figures.

Mr. BRYCE: Only to keep it down to some reasonable dimensions. We do not have these main aggregates on a regional basis, and while it is true that there are personal income figures on a regional basis, it is not possible to make this kind of analysis on a regional basis.

Mr. BELL: Would it be fair to say, Mr. Chairman, that by and large across Canada from east to west, there would not be a great deal of difference in the consumer price index, whether in the Maritimes or in the West?

Mr. BRYCE: No—those figures are published.

Mr. BELL: It is well known that in the Maritimes, for instance, that those provinces are affected by the general inflationary tendencies, and that it is a hardship on our economy to administer finances. That has been recognized quite recently, to a certain extent. I know, for example, that D.B.S. has some figures by provinces which might indicate the strength of the economy by regions, and I think we should be able to relate then.

Mr. BRYCE: We are very conscious of the problem, Mr. Chairman. The Atlantic provinces through their representatives have talked to us on a number of occasions about the difficulties that are caused to them when you get these inflationary tendencies in Canada as a whole, and the Government comes to the conclusion, or the Bank of Canada does, that some restraint is required by monetary policy or by fiscal policy. It is just not possible to make this restraint in terms of monetary policy on any kind of regional basis.

In dealing with fiscal policy, we have never got to the question of putting on different tax rates in different parts of the country simply because the economic situation is different, let us say, in the Atlantic provinces from central Canada.

This would be a very nice problem for Parliament as a new principle. It is true we do spend more money. For example, we will hold up our Public Works expenditure in areas where we believe the economy is reasonably fully employed. This is evident in what has been said over the past twelve or fifteen months in regard to policy concerning construction. But we have never, so far as I know, had any differential taxation to reflect the differences. There are a number of ways in which indirectly we have differences. For example, the equalization grants to the provinces reflect that incomes are lower in Eastern