

*Increased Cost of Living*

For this reason, I think probably this table indicates that the increase in the consumer price index over that period has not been due to the fact that the composition of the gross national product in relation to profits has been going up.

I am not one to say, and I have no intention of doing so, that in some sectors of our economy profits have not been excessive. We heard some evidence in the committee the other day indicating what I thought were excessive profits in the food business. I am sure hon. members noted this evidence recorded in the press. These profits were made in respect of the breakfast food industry.

In 1959 a royal commission found that the profits or returns on investment income and the amount allowed for promotional or advertising expenses were inordinately high. A number of members of the committee including myself asked the representative of the breakfast food company whether the situation had in fact changed between 1959 and 1966. The answer to those questions was that the high level of profits in the breakfast food industry still continued. If one considered them inordinately high in 1959, he must consider that they are still inordinately high in 1966. This is one concrete example of what I think most hon. members would regard as inordinately high rates of profit in one selected industry connected with the food business.

The motion before us calls for an examination of the redistribution of income, and criticizes the government for its failure to do anything about the situation or, as has been suggested, its total lack of concern. The hon. leader of the N.D.P. indulged in his usual flowery language to accuse the government of gross negligence or dereliction of duty. We are all quite used to that sort of statement from the hon. member for Burnaby-Coquitlam. Because he is in the habit of using such colourful language, not too many people pay attention to what he says.

Some of the considerations that came before the special committee on food prices have been referred to briefly. I think the very appointment of that committee has had some effect on price levels. The fact that members of the N.D.P. have been working as hard as they have in making valuable contributions is a vote of confidence in respect of the work and purposes of that committee by the N.D.P. I am a little startled that a member of that party would now move an amendment which amounts to a vote of non-confidence.

There was tabled in the house today the third annual review of the economic council

[Mr. Basford.]

of Canada entitled "Prices, Productivity and Employment". Members of the N.D.P. constantly make speeches in this house and around the country calling for better planning in our economy. Before the economic council of Canada was established, members of that party suggested that we needed an economic council which would study the economic forces operating in Canada and make public recommendations in order that the government and the people of Canada could determine the economic policies the government should adopt.

This council was established under the chairmanship of Dr. Deutsch. The report filed today was its third review, and at the special request of the government part of that report dealt with prices and productivity. I doubt that any member of the house has had a chance to read this report thoroughly since it was only tabled today, but the hon. member for Burnaby-Coquitlam, who is constantly calling for more planning in our economy, suggested that we needed a high-class group of economic advisers who would tell us what we should do. That hon. gentleman then got up in this house and advocated a course of action diametrically opposite to that recommended in this report.

**Mr. Douglas:** Will the hon. member indicate where in the economic council report there is something diametrically opposite to what I suggested?

**Mr. Basford:** I will come to that in a moment. As I listened to the hon. member I heard him urge guidelines for Canada. Perhaps I heard him incorrectly, but I assumed that was what he was urging. I have had a very hurried glance at the recommendations set out in this report by the economic council. They have recommended against guidelines or income policies. I was a little surprised by that recommendation from the council because my thinking has been that some form of guidelines or income policies should be established for Canada.

We are all aware of the United States guidelines policy enunciated by President Johnson or the council of economic advisers to the president. This guidelines policy was adopted in an attempt to restrain profits, prices and wages within certain limits. There are individuals in Canada who have said that the guidelines policy in the United States has not been good and has not worked successfully.

Professor Neufeld from Toronto made a very useful contribution to the committee in