

## Supply—Agriculture

**Mr. Martin (Essex East):** What about net income?

**Mr. Harkness:** The hon. gentleman made great play on the subject of net income. Well, the net income, as indicated by the Minister of Finance last night, was just about 24 per cent better than it was in 1957. The net income has increased a great deal more, proportionately, than the gross income. Gross income was up by 10 per cent over 1957, but net income increased by almost 24 per cent.

**Mr. Peters:** That is just a guess.

**Mr. Harkness:** That is the way hon. members opposite treat statistics they do not want to believe. The hon. member who has just interrupted, when he spoke in this committee some weeks ago, quoted some statistics which I think he took entirely out of his head, because they bore no relationship whatever to any figures put out by the dominion bureau of statistics or by the Department of Agriculture. These particular figures—and I will give the committee the figures for the previous years—were put out a few days ago by the research and development division of the dominion bureau of statistics for national accounts. They are contained in a very large book, and this compilation shows that the net income in 1958 was \$1,202 million. In 1957 it was \$968 million. This represents an increase in net income this year as compared with last year of 23.8 per cent.

If hon. members want to get this publication from the dominion bureau of statistics and look the figures up for themselves, they are quite able to do so. Any statistics I quote are reliable statistics, and I am glad to say where they come from, unlike some hon. members opposite. If people do not like these statistics, particularly members of the C.C.F. group, they immediately challenge them and say the statistics are wrong. There is no question but that the net income of farmers in 1958 was nearly 24 per cent higher than it was in 1957.

This brings me to the point which so concerned the hon. member for Essex East, namely that I have said that 1958 was a very much better year than 1957, and a better year than any of the preceding four years.

**Mr. Martin (Essex East):** I did not say that. I thought I would get myself into a trap if I said that. I said "an unlimited period of years before 1958."

**Mr. Harkness:** I did not say that.

**Mr. Martin (Essex East):** I know. I said that.

[Mr. Harkness.]

**Mr. Harkness:** If you said that, you were incorrect. What I said, as the hon. gentleman will see if he consults my speech, was that 1958 was a better year than any year since 1952-53. That is what I said, and I gave statistics which showed this was the case. At the time I spoke I did not have the net income in 1958 as compared with 1957, but those figures came out about three days ago, and they show that net income was increased by about 24 per cent.

That is the measure of how much better 1958 was than 1957. That was what I indicated in the speech I made, and instead of the hon. member for Essex East contending that I was completely wrong in saying that the cost-price squeeze had been halted, he might have acknowledged that I was absolutely right, as shown by the fact that the net income has increased to such an extent.

The hon. member for Essex East seemed to be badly confused, as I indicated in a brief interruption, between the cost of production and the cost-price squeeze. They are not the same thing, I should like to inform him.

**Mr. Martin (Essex East):** I clearly indicated that.

**Mr. Harkness:** What I was talking about with regard to the improvement in 1958 as compared with 1957 was the fact that the cost-price squeeze had been halted. I said nothing about the rise in the cost of production having been halted. As a matter of fact I said that the cost of goods and services used by farmers had gone up in 1958 by a little more than 1 per cent. I read that from an official publication, and it is the case. It was manifestly impossible for me to say that and at the same time say that we had halted the increase in the cost of production. What we did succeed in halting in 1958 was the cost-price squeeze.

I am unable to prophecy as to whether we will be able to do so in 1959. In 1958, however, the farmer's net income increased by about 24 per cent while his gross income increased by about 10 per cent over the previous year. With respect to prophecy, or what will happen in 1959, I must say it has nothing to do with what happened in 1958. By reading from the year-end review published by the Department of Agriculture various statements with regard to their prophecies for 1959, the hon. member for Essex East attempted to show that what I had said about 1958 was incorrect.

**Mr. Martin (Essex East):** Is that the current review? Could you give us the page?