

*Increased Cost of Living*

coupons and more or less belonged to the capitalist class.

May I refer to some of the cross-examination which deals with this table because a lot of matters were clarified. As reported at page 47 of the evidence, the hon. member for Nanaimo-Cowichan-The Islands (Mr. Cameron) asked Mr. Bryce this question:

Mr. Cameron: I notice, Mr. Bryce, the item you decided did not call for comment seems to be one that does call for comment. I refer to No. 5. I notice in the period between 1949 to 1965 wages and salaries have increased about 3½ times; corporation profits have increased somewhat less, only about three times, but rent, interest and miscellaneous investment income have increased over five times. Would that not suggest that this is one of the points we should look at for inflationary practices?

Mr. Bryce: Let me try to find some of them.

In other words, he is breaking down the items included in the table. He continues:

May I pick out some of the major items? First we have the net rents received by individuals—

These are rents received by individuals, not by corporations, because the income received by corporations is included under the corporate profits section of the table. The second item is investment income of life insurance companies, including pension funds. Then there is bond interest, interest on bank deposits, trust and savings deposits, credit union deposits, mortgage holdings by individuals—not by corporations—government annuities, dividends from abroad, profits on mutual non-life insurance companies, royalties, etc.

As you can see, Mr. Speaker, many of these items are not the type of income-producing item which it can be said accrues to the large corporation or big businessman. Much of it is income which is received through pension plans, credit union interest and so forth and has been received by the little man. So in this respect I think it was misleading for the leader of the N.D.P. to try to imply that there was an increase of 17 per cent among the members of the upper economic echelon of our society, whereas labour and wages income increased by only 7.7 per cent.

With regard to farm incomes the table which appears at page 95 of the report shows an increase of 1.7 per cent during the period from 1949 to 1965, which is a very low percentage. According to the following table, table 6, farm income is only 3.8 per cent of the gross national product, which again is a rather low percentage. The hon. member for Burnaby-Coquitlam seemed to be implying that there was some inequity here, but an examination of the evidence given under cross-examination of the witness demonstrates that

the situation is not what the hon. member would have us believe. On the subject of farm income the hon. member for Medicine Hat asked Mr. Bryce from the Department of Finance some questions. The hon. member for Medicine Hat asked about some years when there had been a significant decline. He said:

● (9:10 p.m.)

Does that account for why we come up with an average of 1.7 per cent?

Mr. Bryce said:

The reason for the 1.7 per cent growth is that agriculture is a diminishing part of the economy as a whole. A great deal of manpower has left agriculture and has gone into other fields. The increase in productivity in agriculture has been quite high. This income of 1965 is distributed amongst a far smaller number of farmers than the income of 1949 was.

Mr. Olson: But that would not affect the 1.7 factor as an average over the whole period, would it?

Mr. Bryce: The reason the figure is so low is because agriculture has not been growing in aggregate in the way in which, let us say, manufacturing or mining has been growing through the period. The number of farmers has been diminishing, and not growing.

The report goes on to point out that though the total amount of farm incomes has been going down, in fact farm productivity and the income of individual farmers have risen, though not at the rate of those working in other sectors of the economy.

The hon. member, in introducing his amendment this afternoon and trying to find the causes for the high cost of living, completely excused wage increases, blaming the increase in profits for the increase in the cost of living. In all the evidence put before us by the companies in the food business we have seen that labour rates in food industries have increased more quickly than profits. Referring to a few tables, we see on page 549 that the salaries and wages for one of the supermarket chains increased 11.2 per cent from 1960 to 1966 and fringe benefits increased by 9.2 per cent, making a total increase of approximately 20.4 per cent, whereas their profits in the same period increased by 8.7 per cent. I am not excusing the food companies, but I think we have to be fair. We must agree that the matter is not as simple as pretended by the leader of the N.D.P. Different sectors of the economy have been responsible for the increased cost of living at different times. We must recognize this to be fair.

In the amendment the hon. member criticizes the government for not having done anything to produce a more equitable distribution of productivity and national income. As