

foreign exchange whatever surplus in imports and other things require payment in foreign exchange, that is whatever surplus there is over the proceeds of exports and other current receipts. That is represented by the figures in this line and constitutes the savings available to Canada from outside of Canada. You will notice this has been a fairly substantial figure throughout this period with the exception of 1949. There were one or two intervening years in the early 1950s when it was negative as well.

In mentioning these sources of saving to meet the capital investment of business, this does not mean they go directly into business financing. It may well be that there are all sorts of interrelationships here, but these are the net contributions made by these various sectors of the economy to the total pool of savings which flows through various channels, and then the business capital requirements are met out of that pool. Some of those may go through a whole series of institutions, dealers and other things of that nature. This is an indication of where we get the savings necessary if we are going to make capital expenditures on the scale on which we have been making them.

It is interesting to observe how substantially these savings have grown in recent years and where the growth has occurred. I leave out of account the abnormal growth in the last half-year of personal savings because that is tied in with what we have been discussing this morning, with the balance of saving on crops in agricultural figures. The business savings have grown and we have seen the components of that. Personal savings are at a fairly high level.

If we take out of the personal saving the change in farm inventories, we find that personal saving by individuals amounts in 1965 to about 8.2 per cent of personal disposable income, which is a fairly high ratio in comparison with recent years, and it is considerably higher than the ratio currently prevailing in the United States. So you will see this is a way in which Canadians themselves as individuals and through pension funds and insurance arrangements and such are helping to finance the high level of capital investment that is going on in the country.

I think those are the main points I would make in connection with that table.

Mr. OTTO: On this question of personal net saving, No. 1, you said this includes some of the crop on the inventories of farmers; is that correct?

Mr. BRYCE: Yes.

Mr. OTTO: Would that be identical then to the profits of a business?

Mr. BRYCE: To the retained profits.

Mr. OTTO: So that there really is not that discrepancy between 1 and 2 except in the farmer's case he calls it profits and you call it net savings.

Mr. BRYCE: Yes.

Mr. OTTO: Have you made any difference between what you would consider his income or what we might call his hourly wage and undistributed profits in his case?

Mr. BRYCE: No, in the case of a farmer we cannot divide him into two persons.

Mr. OTTO: A good part of that should belong to line 2.

Mr. BRYCE: Yes, if we could separate his role as an entrepreneur from his role as a worker.

Mr. OTTO: Then assuming there are people not in farm production who also invest in business, have you made any breakdown as to the amount of personal net savings which has come from dividends?

Mr. BRYCE: In line 1, no. I am sorry, we cannot. We have some idea of the dividends paid to individuals, but they just contribute to the incomes of those individuals. Those incomes are pooled and their savings are out of the total.