

Increased Cost of Living

Toronto market dropped by anywhere from \$2 to \$3 a hundred, the price of bacon in the store went up by 15 cents a pound.

The special joint committee of the Senate and the House of Commons on consumer credit, in its fourth report dated Tuesday, October 4, 1966, records the evidence of Mr. S. B. Williams, assistant deputy minister of the Department of Agriculture. At page 160 he makes a comment which I think is worthy of note. He said:

Over the past 15 years the Dominion Bureau of Statistics index of goods and services bought by farmers has risen nearly 60 per cent. During that period the estimated gain in agricultural productivity was over 60 per cent. In the same period the index of prices received by farmers increased by only about 7 per cent.

Those are startling figures given by a very reputable individual, the Deputy Minister of Agriculture, to the Senate and House of Commons committee demonstrating that the farmers, by dint of hard work and technological innovations, have increased their productivity by 60 per cent. However, the cost of the products they have to buy has increased by more than 60 per cent, so that their gains in productivity have been taken away from them by increased costs and the index on commodities which the farmer has to sell has increased by only 7 per cent. Mr. Speaker, the whole story of agriculture, of the toil, blood, sweat and tears of the farmers of this country is contained in that simple statement by the Deputy Minister of Agriculture.

• (4:50 p.m.)

In the second report of the consumer credit committee hearings, in the evidence given by Mr. Bryce, Deputy Minister of Finance, there is an interesting table which shows the various shares of the gross national income and how those shares are allocated to the various economic groups in our society. It makes fascinating reading. There are two very good tables on pages 94 and 95, and from them we find that the share of the national income which has gone to the wage and salary earners has improved only a little between 1949 and 1965. In that period of time, the share of our national income which has gone to the wage and salary earners increased by 7.7 per cent. In the same period, 1949 to 1965, the share of our national income which has gone to the farming population—I am speaking of their net income after having met their expenses—rose by only 1.7 per cent.

Interestingly enough, Mr. Speaker, in the same period of time the share that went to

those who live off corporation profits increased by 6.6 per cent. The share that went to those who live off rent and interest on investment went up 10.7 per cent. So, if we put these two latter groups together we find that the share of our national income which goes to people who live off investment, whether it be in equity, in bonds, in mortgages or in rents, went up by 17.3 per cent.

This table, which was placed before the committee by the deputy minister of finance, is surely a revealing one. In a period of 16 years the share of the national income of Canada which went to the farmers increased by only 1.7 per cent. The share that went to the workers, whether they be white collar workers, blue collar workers, executives or manual workers, increased only 7.7 per cent. But the share of the national income which has gone to those who live off investment and by clipping coupons increased by 17.3 per cent.

This, Mr. Speaker, is a matter that this parliament has to face. This obsessive greed for more profits, which pushes up the prices to consumers and which in turn stimulates the average person to demand higher wages, is responsible for a vicious circle which is bringing this country to a very serious state of affairs, particularly for those who live off fixed incomes. The place where this trend must be stopped is where it started, namely with the group who live off investment, who depend upon corporation profits and who have taken an exorbitantly large share of the increased national productivity. This group should be required to bring their demands within reasonable limits. These people have treated society as though it were an economic jungle. They have said that he who has the biggest hand and the greediest heart will take the biggest share, and this is having disastrous results.

I noticed an address delivered by Mr. Walter Reuther, the president of the United Automobile Workers union in the United States, and I was impressed by what he had to say about the increased price of cars for 1967. Mr. Reuther says:

The auto industry will give the U.S. economy a painful, perilous and entirely unjustifiable push up the threatening spiral of inflation if the price increases which have now been announced by all the big three are put into effect.

The increases come at a time when inflation threatens the integrity of every family's income and doubly works a hardship on people living in retirement and others on fixed income.

It imperils the continued economic expansion on which our national prosperity depends, including the prosperity of the auto industry.