

*The Address—Mr. Low*

increase of consumer goods production which that development makes possible.

I would say that a good deal depends upon the word "ultimate". Some expansion projects give returns within a relatively few years, and they can be justified; others are likely to be of use only to future generations, and are therefore a dead loss so far as this generation is concerned. This generation of Canadians—you and I, and our fellow Canadians—has inherited rich assets in the form of abundant resources. It is only right that we pass on to our children and grandchildren an increase in those resources, wherever possible, but it is not necessary or desirable that the increase should be very great in so far as it is done at the uncompensated expense of this generation. I believe there is a reasonable rate at which development and expansion should be undertaken. An excessive rate is plain robbery of the community, because while the development is going on our people are forced to pay higher prices for their living and higher taxes to government, without getting any benefit of increased production of consumer goods at all.

The Liberal government has failed dismally in its responsibility to the Canadian people with respect to the management of investment for expansion and development. I brought forward at the last session what I thought, and what many people thought, was a perfectly sound suggestion, by which some of those undistributed profits of corporations might not be plowed back immediately into expansion. But the suggestion was turned down. I presume the government had other ideas. The fact is that since 1946 the rate of increase of prices in Canada has accelerated out of all reason. Much of this increase in prices has come from the unnecessary exploitation of the Canadian people through the very process of taking large profits and plowing them back into expansion and development, without giving the Canadian people the benefit of increased production of consumer goods.

I maintain that it is an urgent matter now that some specific policy be laid down governing future development and expansion programs. The criterion by which they should be judged, in my opinion, would be this, that any development program should be authorized only after a proper analysis of its purpose and cost has been made, and after it has been determined that one of its results, at any rate, will be an early reduction in the general price level, at least until that level has been brought down to or near the 1939 level.

The government tries to excuse its comparative inaction by saying that the present

price situation is a world-wide phenomenon. Up until late spring I noticed that many of our cabinet ministers were quite ready to blame high Canadian prices on those in the United States. A good deal has been said this afternoon by way of comparison of prices in Canada with those in the United States. I was keenly interested in what the Prime Minister (Mr. St. Laurent) had to say in reply to the statement of the leader of the opposition (Mr. Drew) that the Canadian price index has increased above that of the United States. I believe him, and I have reason to believe him. I think it was very unfortunate that the Prime Minister (Mr. St. Laurent) did two things this afternoon. First of all he selected a centre in the United States that represents perhaps the very highest price centre that you can get anywhere in that country, and used it to compare with prices here. I am sure if he had selected an average of prices across the United States he would have found quite a different level.

I had the privilege of travelling across the United States twice this summer, and while I travelled through the east, middle west and western United States I took the trouble to investigate prices for myself. I did not depend on newspapers at all. I investigated prices in the stores, bought things to eat for myself and priced things in which I was interested. I think the second unfortunate thing that the Prime Minister did today was that he only selected foodstuffs for comparison. If he had gone to the trouble of selecting other things such as machinery, tools for making repairs, clothing, furniture, household equipment, and all those things to which in Canada have been applied such dreadful and foolish commodity taxes, he would have found quite a different story.

I found, for example, in my travels across the United States, taking an average of different areas, that most foods would average about the same price in the United States as in Canada, although I was quite surprised to note that I could buy grade A eggs at 54 cents a dozen just ten days ago as I came through the middle western United States. I could not help thinking of the 84 and 86 cents my wife was paying in Ottawa. Butter was approximately the same price. I admit that what the Prime Minister said about milk is probably true. The average across the United States was around 20 cents as I found it, because I do buy milk to drink, and of course that would be about 24 to 25 cents here.

That is quite correct, but when I got into other fields like fruits and certain vegetables I found that prices there were much lower than they are here. Furthermore, when I investigated the price of clothing I got the