

STATEMENTS AND SPEECHES

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A CANADIAN APPROACH TO THE PROBLEM OF PRICES

An address by Mr. K.W. Taylor, Assistant Deputy Minister of Finance, Ottawa, to the United States Conference of Mayors, New York City, February 16, 1948.

It is a distinction as well as a pleasure to be invited to participate in this Annual Conference of the United States Conference of Mayors.

Mayors are very important people, and municipal institutions are a very important branch of government. I appreciate the privilege of being here, not only because it gives me an opportunity to offer a few Canadian reflections upon our common problems, but even more because it allows me to hear from others on the programme and from the general discussion something of the way in which you are approaching the complex difficulties of the present times and seasons.

Free and democratic government, as we know it today, emerged and grew out of municipal government. It was in the city-states of Ancient Greece that self-government was born, and it was in simple folk gatherings of Swiss villagers high up in Alpine Valleys, it was among sturdy merchants of the free boroughs of Old England, it was in the serious, almost solemn town-meetings of New England, that these free institutions were nurtured and developed. Democracy has grown out of the village, the town and the city, and municipal government is still the root from which all free political institutions draw life and nourishment.

But I have been asked to speak today, not on the origins or the ancient glories of cities and their governments, but on one of the very pressing problems of today. You have asked me to present some Canadian reflections upon the rising cost of living.

Canadian prices of most of the basic things that go into the cost of living, have for some years been considerably below the prices in this country and below the prices in most other comparable countries. Perhaps for that very reason the public concern and protests which have accompanied our recent rise in prices has been all the greater and all the more articulate.

The most conspicuous economic fact of the past two years has been the upward sweep of prices all over the world. For the past twenty months the trend of prices everywhere has been steadily and rapidly upward. This is not a local problem, it is not confined to any one country or to any group or class of countries. It is a world-wide phenomenon; and Canada has not escaped its effects.

It is fair to add, however, that notwithstanding the considerable increase in prices in Canada during the past twelve months, our increase in the cost of living above the pre-war levels has been considerably less extreme than in almost all other countries.