

The Address—Mr. Low

Now, in the consumer goods industries the total inventory at the end of September of 1956 reached \$1,093,138,000, a total that is higher than at any other time since 1952, and very likely higher than at any previous time in our history. A similar statement can be made of perishable goods. In petroleum and coal products the inventory at September last was the highest in history. In electrical supplies, although there was a slight decline in the three months from July, 1956, to September, yet the inventory at September, 1956, was \$15 million over that for December, 1955, and \$133 million over that for January, 1952.

Even in the iron and steel products industries the total inventory at September was \$841,666,000, a figure greater than at any time since 1952. There was some decline in the finished products division of this particular industry, but both goods in process and raw materials on hand were greater in value than at any time since 1952. And this is the particular division where this country is supposed to have the serious shortages. The figures successfully dispute that claim.

I will not weary the house with many more figures, but I think I should say just a word about the capital goods industries lest someone here finds reason in that section to claim that we are actually suffering a shortage of goods. The total inventory in the capital goods industries at September, 1956, was \$391,335,000, which is greater than at any time since 1952, and very likely the greatest of all time.

Let us turn for a moment to the money supply of our country, which is the other angle to the situation. The total money supply in 1954 was \$11,276,900,000, while at September of 1956 it was \$12 billion, in round figures. This shows a very small increase in the total money supply available to the public with which to buy a very greatly increased production. Let us not forget that at September, 1956, our gross national production was running at the rate of \$29 billion a year, while in 1954 it reached only about \$25 billion.

Mr. Harris: Twenty-six and a quarter billion for the year.

Mr. Low: That was 1955.

Mr. Harris: I beg your pardon; yes, it was 1955.

Mr. Low: It was running at approximately \$25 billion in 1954. I think I am quite right. In the light of these facts it is perfectly clear to me that the present high cost of living cannot be blamed on real inflation, too many dollars chasing far too few goods. Especially is this conclusion given real backing when we consider that there has been a slackening off in production in certain much-wanted

goods in this country. That slackening off has reached quite serious proportions in the last six months.

I was attracted to an article that appeared recently in the *Calgary Herald* concerning a great industry in this country. It appeared in the issue dated October 25, 1956. The heading of the article is "Lay-Offs Hit B.C. Lumbering". This is the pertinent story:

Labour and management officials in the British Columbia timber industry have forecast widespread unemployment in the industry this winter.

Both groups agreed it would be "the worst winter since the war" and some said unemployment might spread to other industries.

International Woodworkers of America expect to have 1,200 men out of work by mid-November. Already nearly 800 have been laid off.

That was back in October. There are more than that now. The article goes on to say:

"I cannot remember losing 1,200 men in such a short time", an I.W.A. official said.

"In nine years experience I have never seen so many men looking for work as there are now."

Further on in the article, Mr. Speaker, we find the following:

Officials agreed that sawmill workers will be hit first.

Two reasons given for the expected slump are: Attempts by the government to control inflation by clamping down on new home mortgages, thus reducing the demand for new houses.

High shipping costs which have caused the United Kingdom to reduce orders from Canada and start buying more common grade timber from Russia and the Baltic countries.

A spokesman said the industry will have to consider asking Ottawa to lift the mortgage restrictions.

I point that out only to indicate the truth of what I said a moment ago and to give backing to it. At a time when we are actually slackening off production in the country, not only in the lumber industry but in certain others, how in the name of common sense anyone can cling to the old story that we are suffering real inflation I cannot understand.

There is another fact, Mr. Speaker, which I think we all ought to take into account as we consider this particular subject of the cost of living and what to do about it. The dominion bureau of statistics figures indicate clearly that in 1955 the Canadian people piled up a total of \$26,600 million worth of goods and services. I think that was the figure mentioned a moment ago by the Minister of Finance. In that same year, 1955, the distribution of purchasing power amongst the consumers of this country fell so far short of being enough to enable the Canadian people to buy and consume what they had produced, if they wanted it, that they were forced to run charge accounts, to buy on instalment credit and to borrow in the form of cash personal loans from the