

*Increased Cost of Living*

number of people are registered as holding jobs.

The price index, of course, tells us nothing of the forces that may be contributing to the rise in prices. The price review committee, referred to last night by the hon. member for Medicine Hat, has been digging into some of these problems and has apparently reached the tentative conclusion that the answer is not the simple one which many people think it is, but that it lies deeply imbedded in the procedures and institutions of our distributive system.

Witnesses before that committee have suggested that there must be steps taken to curb excessive advertising and excessive proliferation of various packaging methods. All these things contribute to the rise in the price index and make a mockery of the traditional definition of inflation, as too much money chasing too few goods.

Of course, it is perfectly true that we cannot have unnecessary high-rise luxury apartments and also housing for people of modest income. We cannot have unnecessary shopping centres and at the same time have schools, libraries and hospitals. We cannot have, as we do have in my part of the country, a vast rash of pulp and paper mills far outstripping, as has been admitted by the industry itself, the available market now or in the foreseeable future and at the same time have something that will build a decent Canada in the form of expanded social capital.

I am always surprised when I find that we are spending all this money to build such things as pulp mills, which are not needed because we are well equipped with them now, when at the same time we fail to put any investment into the development of secondary industries. I am still more disturbed when I find that the most wealthy of these companies in Canada, which has some of its operations in my own constituency, has taken the capital extracted from the natural resources, which are the property of the people of Canada and have been developed by the workers of Canada, and invested it in a foreign country when here in Canada we have a grave need for investment for the development of our economy.

The suggestion that we have reached the end of our productive capacity for the time being, and that our economy is so overheated we must pull in our horns, is one that cannot be justified by any statistical evidence. I know of no way by which we can determine the

[Mr. Cameron (Nanaimo-Cowichan-The Islands).]

level of our unexploited natural resources because we do not even know where they all are, and I know of no way by which we can tell that we are utilizing our human resources to their best capacity. I know of no way by which we can judge the quality of production that is included in our gross national product.

To suggest that we have statistical evidence which proves that we must pull in our horns and must start moving backwards is, to my mind, the counsel of despair. There are things which can be done. I took occasion, during the hearing before the finance, trade and economic affairs committee, to question some of the authorities who appeared before us as to the means by which we could overcome this gross mis-allocation of resources, and as to the means by which we could ensure an adequate housing program for Canadian people. I think even the supporters of the government would admit that we are lacking such a program today. I always received the same answer, which I think is probably a very reasonable one. I examined the possibility of allocating resources by means of interest rates, but it is perfectly obvious that would not work. It is perfectly obvious that we are not going to obtain a proper allocation if we continue to depend solely on market forces to distribute the credit that needs to be distributed for the development of social capital.

● (4:00 p.m.)

All the witnesses before that committee, including the Governor of the Bank of Canada, told me the same thing. They said the only way this problem can be solved is by fiscal measures which, of course, is an economist's way of saying that the government must tax and receive enough revenues in order to make the necessary public investment.

One of the things we must do if we are to overcome this poverty and maldistribution is to improve the productivity of our economy. I have not found anyone who can adequately explain to me why it is represented by the Economic Council of Canada, among others, that Canada's productivity per capita is some 23 per cent less than that of the United States. As a Canadian I refuse to believe that Canadian workers are lazier or stupider than United States workers. I refuse to believe the population of this country is not as well educated and capable as the Americans. I can only think that it is the method by which we have organized our industrial economy that leaves us in this position of lacking control over investment policies, of investment going into merely the most profitable areas without