

pour down the drain—to 15 cents a quart. So it is with almost every necessity of living, as well as most of the things that are not essential.

Mr. Smith (Calgary West): And you require a doctor's prescription to get it.

Mr. Low: Yes, the increases in the cost of living do not matter too much to the people whose incomes have increased in the same proportion or better, but let me tell you, Mr. Speaker, that those people whose incomes have not kept pace with the shrinking value of our money find themselves in a serious predicament today. The tragedy lies in the mistaken idea that there are only a few of these people. There are thousands of them. In addition to those, there are a good many thousands of people in Canada who are trying to eke out an existence on fixed incomes, such as pensions or annuities which they bought with dollars that would purchase twice as much as they do today or perhaps three or four times as much. Some people are trying to live on incomes from investments that were made some years ago. These people are suffering. They need to have some assistance.

There are a good many farmers also in this country, Mr. Speaker, who face the future with anything but optimism and confidence because of spiralling prices. The other day a farmer in Saskatchewan wrote to me, and this is what he said:

I am just a poor Saskatchewan mixed farmer and these higher wage, higher price, higher tax spirals are pushing men like me into a chasm of despair. What started out as a small slide has turned into an avalanche overnight.

This is typical of the feeling of many farmers throughout Canada.

In a general way I think it is true to say that the purchasing power of the Canadian dollar is less than 56 cents, largely because neither the government, organized labour, the owners or managers of business, nor the consumers as such have been conscious of cost and what it means. We are all consumers, and we are just as guilty as anyone else. We are not cost-conscious. I think it is true to say also that this same unconsciousness of cost has allowed our dollar to shrink in the alarming way I have outlined, and that is going to destroy the spirit and basis of independence and individual freedom in Canada if we are not careful. With increased prices, taxes inevitably are made higher. They find their way into costs, and they create an upward pressure on prices and the cost of living. The reserves which individuals have saved for emergency and old age, sickness or disability, in many instances have been drained away. With the dwindling of those

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reserves, the freedom and independence of the people will go out the window. Consequently, more and more of our Canadian people will become little better than wards of the government.

I wish I had time to outline what I believe are three or four very bad practices that have been established in Canada, and which have contributed to this shrinking value of the Canadian dollar. I shall mention briefly one of them, and that is the stupid way in which the government has managed, or not managed, the supply of money in our country. Perhaps at another time I shall have an opportunity of dealing with that. At this stage let me just mention one factor contributing to the shrinking value of the dollar which I think it is essential to place on record for the Canadian people. In our country the mistaken idea has grown up that the way to stop inflation and bring our economy into balance is to fight blindly for higher wages and shorter hours of work. I am all in favour of wages and hours of work that are as just and as fair as possible, but it ought to have been clear to both labour and management that there is nothing either of them can do with wages to put sense back into the Canadian dollar or restore living standards in this country. Increased wages mean increased costs of production and increased taxes. All of these push prices up to the point where nothing at all is gained by wage increases.

Is it not tragic, Mr. Speaker, that we have all failed to keep our eye on output, prices, and the purchasing value of our currency? Instead of that we have kept our eye on wages and pushing them up. There is where our eye should have been, on prices, output, and the purchasing value of our Canadian currency. I have heard it said that the consumer, who is also a labourer, will literally go through hell to double his wages, but he will not turn over his hand to reduce consumer prices. Now, something must be done to put sense back into the Canadian dollar, to stabilize the value of the Canadian dollar at a reasonable level. Our people cannot feel like making the supreme effort they will be called upon to make if they have to go into the heavy days ahead overburdened by the high cost of living.

Let me warn the members of this house, Mr. Speaker, that whatever we do about it we must be sure that we preserve unimpaired the liberties of the Canadian people. A people without the maximum of individual liberty lack the incentive to become great, lack the ability to out-produce, out-invent and out-calculate those who are determined to take away our liberty and destroy us, in order