

*The Address—Mr. Low*

have to pay pretty dearly for our lack of vision and action in this respect. While I am speaking of highways and lack of vision, we have also neglected for far too long to provide highways and adequate means of communication in the great Canadian northwest. There we have metals, minerals and food-stuffs being produced, all of which are essential to our strength and our preparedness, but it is most difficult and costly under present circumstances to move them, and as a result any effort we may make to defend our country will not be as effective as it otherwise could be.

Canada continues to be largely dependent upon other countries for a good many of the essentials of life and of defence, things we could and should be producing for ourselves in the quantities we need. Here again it seems to me we have shown a lack of vision and of preparation for the future. It is perfectly true that since 1945 we have increased our steel production quite considerably, I believe to a fairly large extent through government assistance and leadership. But we are still far short of the production we need even in times of peace. One particular in which I think there was a sad lack of foresight was in the fact that the financial assistance provided by the government to the steel industry some time ago was extended only to the companies already producing steel. Apparently no assistance whatever was offered to induce the organization of new companies and help them finance these vast undertakings. I can see no valid reason why much of the iron ore presently going from the Steep Rock area to the United States should not be made into steel right at the coal beds of our own country, notably in southern Alberta. It is no further from western Ontario to the coal fields of southern Alberta than it is from Sweden to the Ruhr valley of Germany. I was there in 1948 and witnessed what had been going on for many years; that is, a very large, very successful steel industry based upon iron ore being carried clear from Sweden to the coal beds of the Ruhr valley. The physical possibilities are here in Canada, but we have neglected their development until now, of course, we are facing an emergency and we are not ready.

Neither have we developed our fuel industry. We still have to buy twenty-five or twenty-six million tons of coal from the United States with scarce American dollars, while forty-nine billion tons of perfectly good coal and great quantities of oil in Canada remain relatively untouched and undeveloped. A similar situation exists with respect to sugar, and right now there is evidence that considerable quantities of fats are going to waste simply because there is no place to put

them. Yet, any moment fats can become so scarce that soaps and other essentials would have to be rationed. Surely, Mr. Speaker, the appropriate department of government could be exercising some leadership in attempting to save what we have and convert it into a form that could be stored against the day when it will be needed. Any program for successful defence will have to include a program of stepping up our production of all these essentials to the limit of Canada's ability to produce them.

Since I came here in 1945, Mr. Speaker, a good deal has been said in this house about the centralization of industrial activity in the provinces of Ontario and Quebec. Not much heed has been paid to the warning which has been issued frequently because there continues to be industrial centralization for the sake of—well, I do not know what.

**Mr. Blackmore:** Ontario and Quebec.

**Mr. Low:** Yes, perhaps for Ontario and Quebec. At a time too, when, for the sake of security, the greatest possible measure of decentralization ought to be taking place. In a country as vast and broad as Canada is, it is essential in the interests of our security to have strong regional industrial activity. There might be some excuse for this centralization of industry in the central provinces of Canada if the raw materials and sources of power were not available in other parts, but that is not so.

Again, a good many thinking people, Mr. Speaker, are going to realize that one of Canada's pressing problems, and one of our weaknesses today, is the continual and serious decline in the purchasing value of the Canadian dollar. During the last year the cost of living in Canada has risen by ten points. As a result our 1951 dollar is worth just a little more than half the value of our 1939 dollar. That fact is startling. Startling as it is, there are a good many thinkers who believe that the Canadian dollar will continue to decline in value until it reaches twenty or thirty cents lower than it is. Ask the housewife what she thinks about this cost of living and the declining value of the Canadian dollar. She knows that the beef-steak she bought in 1939 for 27½ cents a pound now costs her close to a dollar a pound. Furthermore, I think it is common knowledge that the housewife today has to pay 16 cents for the loaf of bread for which in 1939 she paid 6½ cents. Milk that cost 9 or 10 cents a quart in 1939, now costs 18 or 20 cents.

The other day I noted that some of the milk companies in this city announced they were jumping the price of skim milk—you know that blue, anaemic stuff that they used to