

And speaking of international control of Canadian industry what about the international labour organizations? Have we anything to fear from affiliations across the line? If so, what is likely to be the effect upon labour rates in Canada and upon costs of production? Do we need to worry about the possibility of pricing ourselves out of some of our markets?

Will the disparity in personal income and in standards of living between the United States and Canada increase, or is it likely to decrease or disappear? We all know -- and for the most part accept -- the added costs inherent in the Canadian nation and its economy. Our country was built in the teeth of strong north-south economic pressures. We have been paying a price for our economic independence in the form of higher costs of transportation, higher distribution costs and smaller markets for our manufactured goods, which makes them more expensive to produce. Moreover, our climate adds to our costs. As examples of what this means, I would refer you to two items in municipal budgeting -- the amounts which have to be provided for fuel and for snow removal.

By a variety of devices, Canadian Governments have attempted to distribute certain special costs of production over the nation as a whole. I refer, again as examples, to subsidies for Nova Scotia coal, subsidies to the manufacturing industries in the form of tariffs, subsidies to Western farmers in the form of freight rates, subsidies to certain new industries in the form of tax relief, and to others through depletion and depreciation allowances. All these things mean that the Canadian standard of living of necessity has been lower than that of our neighbours to the South. But if the demand in the United States and elsewhere for our raw materials increases over the years and prices rise as a result -- and if the prices of the manufactured articles we import tend to fall through increased efficiency and intensified competition -- in other words, if the terms of trade swing in our favour -- is it inconceivable that eventually the disparity in standards of living may be narrowed considerably?

And while we are on the subject of disparities in living standards, what are the probabilities of expansion and development in each of the main regional divisions of Canada? And what are the problems likely to be in those regions or provinces which may be expected to develop more slowly than others?

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You will agree that an attempt to answer even a few of these questions is a formidable task. Unquestionably the Royal Commission has been given a heavy assignment. The Commissioners are convinced that it can be accomplished only on a co-operative basis with the fullest support of all interested organizations, associations and Government officials throughout the country. There seems to be no doubt about the general public interest in the undertaking. And I am most happy to state that there is no doubt either that the needed support and assistance will be forthcoming.