

There is not much faith there. Has the government no plan for Canadian prosperity? Must we follow in the wake of our neighbour to the south, if they proceed to disaster?

At page 2545 of *Hansard* the minister states that one of the main supports of high current production is the result of our loans to Great Britain, France, Belgium, Holland and other countries, and he states that these loans are essentially transitional measures. If those loans are contributing to our prosperity, why not continue them? If to discontinue them means not prosperity but depression—and that is the inference to be drawn from the minister's words—why should we discontinue them? The need in Europe is great; but if we can make goods available to the people of other lands, is there any reason why we should not increase consumption in this country? These are some of the questions I should like to hear the minister answer.

Then at page 2548 of *Hansard* the minister said:

Moreover, our revenues are based on very high levels of production, incomes and imports which we probably cannot expect as normal levels in future years.

Why not? Because we expect a depression in the United States; and because they expect a depression in the United States, we must have a depression here. That is the purport of the minister's statement.

Then, at page 2549, referring to the budget surplus he said that, while our surplus is a real one, "it has been obtained at high levels of revenue and expenditure which do not necessarily give an accurate indication of the shape of things to come." The conclusion one must draw from this statement is that the government is giving up all hope of directing or controlling the economy of this country.

Then, at page 2561 the minister comes back to the possibility of a recession in the United States, when he stated:

On the other hand, it must be conceded that some recession in the United States this year is by no means impossible.

And the United States, you know, got back to a so-called free enterprise system before we did. He continues:

A substantial recession in that country would be bound to have some effects on our own situation, and this in turn would adversely affect our revenues.

During the years I have been in the house I have heard many protests against our colonial dependence on Great Britain. What is the sense of attaining full status of nationhood within the British commonwealth of nations merely to become an economic appendage to the United States? Cannot Canada have economic and social policies over

which Canada has some control? It is this lack of faith in the future of Canada, and in our ability to do things for ourselves, which is, to me, the disheartening thing in the budget.

The Minister of Finance referred several times to the wonderful record of this country in the war. But what he failed to say in that connection is what is really important, namely, that to attain that wonderful record the government took the initiative in providing the organization and the money to make our war effort effective. That record could never have been achieved if our war effort had been left to private enterprise. No one, indeed, would have thought of leaving it to private enterprise. So that if anything is clear in the budget, it is that the government has abandoned all intention of directing our peacetime economy. It is leaving the providing of our needs to private individuals who are solely concerned with their own profits. Indeed the minister himself admits this when he states, at page 2559 of *Hansard*:

Business confidence and available funds are so high that a good many businessmen are competing more in their efforts to expand their investment quickly than in getting down their costs and keeping down the prices at which they sell their products.

If this statement is correct—and I imagine it is; otherwise the minister, a believer in the private enterprise system, would not have said it—I would ask: Why the elimination of the excess profits tax, so as to give them more money to play around with?

Mr. GIBSON (Comox-Alberni): To create more jobs.

Mr. MacINNIS: But they are not creating jobs. That is exactly what the minister said.

Mr. GIBSON (Comox-Alberni): Capital investment creates jobs.

Mr. MacINNIS: I agree with that, and I shall have something to say about it later on. That is so, provided that it is proper capital investment, and not uneconomic capital investment.

But what does the minister expect? So long as the government leaves production of the economic needs of the people to the caprice of private enterprise, it can have no effective control over the nation's welfare. As a matter of fact, it can be only a sort of office boy for private enterprise. And for the hon. member who just interrupted, let me tell him that big business itself is becoming frightened; frightened of itself.

In this connection let me quote from an editorial which appeared in the issue of the *Monetary Times* which came to hand this