

What is happening to these people? Remember that I say they all have one characteristic; they all wish to be independent. The two things which are making it difficult for them are taxes and high prices. These and low interest are making it extremely hard for them and sometimes I think they wonder whether in the process of providing security for other people they are to be pushed into a situation where they will have insecurity forced on them. I ask the minister to consider whether he is jeopardizing these people. Is it even possible that there are those who wish to increase the number who are leaning on the state? If so, I wish to proclaim my view that it is people like these who are the cornerstone of any free economy. As I understand it, democracy as we have it really takes its roots from seventeenth century England, and if there ever was a place where they believed that people should try to look after themselves and have a sense of responsibility, it was seventeenth century Puritan England. Our whole desire should be to try to strengthen these people. Morally and materially they are a priceless asset.

I wish to say a few words about production. If I say nothing else to-day I hope I may say a word which may help to concentrate our minds on this all-important thing. Really the one inescapable test of the minister's budget is this: Does it help to create production? Does it encourage the investor to invest, the producer to produce, the workman to produce his maximum. So far as it does these things it is a success; so far as it does not, it is a failure.

In considering production, let us concentrate our minds on consumable things which alone increase wealth, and refuse to allow ourselves to be led away and made dizzy by astronomical money figures. Many people who talk about money as if it were worth having as a thing in itself are guilty of a great error. There is another fallacy of which people are guilty. They talk about production in an abstract and unrealistic way. You hear people say that everything is all right; we have got more skills developed during the war and all we need to do is to put people to work. I wish it were as simple as that. But we do not produce in a vacuum. The only production we can get is production related to other parts of the economy in terms of skills and materials to be supplied, costs and so on. Of course the great bulk of our production must be in those things where we have special skills to produce. It is essential, unless we are going to reshuffle the whole deck, that we keep employed 630,000 farmers, 54,000 manufacturers, 49,000 fishermen and loggers, and so

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on. On this production depends our whole foreign market, because in these things we produce more than we consume, and if production is high in these lines then we are functioning efficiently, but if it goes down in these lines there is no use in comforting ourselves in an abstract way by saying we shall be able to produce. You cannot suddenly turn a farmer into a miner or a papermaker into a fisherman. Furthermore it is not going to be cured by the huge outpouring of government money. However much we may be prepared to recognize the duty of the government to meet unemployment, we must recognize that the task of turning, let us say, skilled papermakers into foresters is difficult, if not impossible. Therefore, I repeat, when we think of production let us not think of it in abstract terms but let us think of keeping our existing skills employed in production, and let us judge the minister accordingly. Government measures to aid employment should be ancillary, to be used in emergency, and should not blur the fact that the main business of government is to create a favourable climate for the production of the products which we are specially organized and skilled to produce.

Judged by these standards I criticize the minister in three ways. First, he fails to give a definite stimulus to production. Second, his policy of deficit financing I believe will create great uneasiness as to the stability of the currency, if it is continued. Third, the timid and hesitating manner of dealing with controls, even though there has been some improvement, is still hampering business. I shall have a word to say on that later.

Beyond these, and more important still, is the state of mind which has been created throughout the community by vast government expenditures and the hope held out of more. This has created a widespread impression that governments can create money at will and provide full employment by their own financial measures. This has the dangerous effect of lessening the individual sense of responsibility far and wide. In addition, the use of subsidies and bonuses in wartime has created a feeling that the government can step in to fill any money deficiency. "Are the wage-earners not getting enough?" "Let the government make up the deficiency." "Can the company not make money?" "Let the government subsidize the company so prices to the consumer can be kept low." "Are the farmers not getting enough?" "Let a subsidy be given there, too." It all looks to me like pulling ourselves up by our bootstraps. It reminds me of a story which, while of a rather trivial nature, I hope will not offend