

tion is of a magnitude not conceived, and will be greater yet, and that adds to the burden and to our responsibility in approaching the problem of how it is to be financed. What applies in that field applies also to employment. It applies also to income. If it applies to income it must apply to the curtailment of private spending.

During the last four years we have seen our federal revenue move from \$500 million to \$1,500 million, and this year it will reach well over \$2,000 million. Our duty is very plain in regard to ordinary expenditure. I had hoped ordinary expenditure would have been kept below the \$500 million mark but I see it is \$610 million.

In dealing with ordinary revenue and expenditure the thought occurs to me, What right has our administration to attempt to freeze normal enterprise at the levels of 1936-39 and pass scores of orders in council to hold our economy, namely, the economy of ordinary production, particularly in secondary industry, to the 1940 level, as far as price and volume are concerned, unless the administration make a determined effort to do likewise in the matter of ordinary government expenditure. We have probably had enough discussion about that in this chamber this afternoon, but I shall deal with that part of the problem a little later. Our war economy demands intensive exploration looking to the increase of production for the war effort, so that our national income can stand the strain of war costs and it is made more and more possible to pay as we go.

Canada has the man-power, if we use every one available; Canada has the woman-power; Canada has the willingness and the enthusiasm. But Canada lacks a man-power policy; it lacks all-out direction; it lacks equality of sacrifice; it lacks driving force. Before we can say we have an all-out war effort Canada requires adequate reinforcements, trained men to keep high the morale, the courage, of our gallant lads who fly over Europe, those who make up the front line in the United Kingdom, those in our navy, those who go down to the sea in ships. This is a first and all-important necessity, to achieve which those at home must produce, economize and give everything that they have.

Before I leave the economic situation I wish to depart a little from the usual form of criticism and bring to the attention of the house the need of maximum effort.

It is not enough to point to the men who are in the services to stir up the enthusiasm of our people at home. We shall have to go farther; we must give consideration to their social security and the security of their boys

[Mr. J. H. Harris.]

and girls when they come home after the war; we must dispel from their minds the fear of want in this land of abundance.

How are we going to do it? I can put my idea in simple language. As I see the problem, it is to keep a floor under our people which is based on a reasonable standard of living, based on the cost of efficient production. It is the duty of government to maintain that floor. At the same time a ceiling must be kept over our economic structure so that monopolies shall be controlled and income taxed to help provide the revenue to maintain the floor which is kept under our people. Between that floor and that ceiling every encouragement for maximum production, and compulsion if necessary, should be resorted to. There are some idlers who will not work; hold them on that floor, do not let them get down in the depths, down into poverty and slum conditions; if necessary, compulsion will have to be resorted to. But encourage the great body of our people who are between that floor and that ceiling to combine their individual initiative with intelligent industry coupled with integrity, and there will be ample room for the development of our Canadian economy in this land of opportunity.

I might enlarge on that with regard to a ceiling on prices and commodities, especially in the field of industry. Put a ceiling on the price of goods, whether wheat or bacon or beef, or a secondary product, and say that the price shall go no higher than such and such a figure. As our economy goes along in this difficult time, it will be necessary for us also to put a floor under the price of these commodities. It is within the memory of hon. members when hogs, for example, sold as low as 3.5 cents a pound, when everyone knew they could not be produced for that price. Hon. members will remember a long list of other commodities in 1931 which had no floor under them. I am not so much concerned about the commodity itself as I am in the production of that commodity by which the individual Canadian made his living. Had that commodity been held at a floor which was at least equivalent to the cost of production, then many thousands of our Canadian people would have been able to carry on their vocations, and the collapse of our system would not have been as imminent as would seem to be the imminent situation now unless a floor is put under that commodity, and under commodity prices generally, as well as under the people themselves.

This particular portion of the discussion may sound rather pessimistic, when one is speaking about this Canada of ours. I do not