

balance of payments for interest and that sort of thing will probably be in the order of \$1 billion, so that the two together represent funds which are available for buyers of our products outside this country and are available so that we can reduce the imports without sacrificing the position of our exporters. That was the point I was trying to make.

Senator HORNER: If I might just follow up the point I raised about over-production in every country. My thought is that the greatest possible thing for Canada would be to double its population as quickly as possible. I do not agree with the theory that we must allow only highly-trained people to come here. People in the world would be quite anxious just to be given a piece of land here to make a living on. They could start out in that way and they would become consumers immediately. To my mind that is one sure way of increasing the productive capacity and purchasing power of the Canadian people. We should increase our population as quickly as possible.

Senator ROEBUCK: That was all right when we had free land.

Senator HORNER: We still have some.

Mr. NEEDLES: We do, of course, favour immigration and growth of population as the best way to increase our market opportunities for products, services and everything else. However, immigration has a tendency to adjust itself. The people who would come over here would not come unless they had reasonable assurance of a place to work and earn a living. We have no plan as to how that could be done.

Senator HORNER: I don't quite agree with you there. The huge wave of immigration to North America resulted from conditions in the home countries of the immigrants. The great migration from Ireland was due to the potato crop failure in that country. Those not satisfied with living conditions in their homeland are ready to migrate. They have an incentive to do so. It is not particularly because of what they are being offered in a new country but because of conditions in their old.

Mr. NEEDLES: With full employment in many of these countries there is little incentive for their people to leave except if they have friends and relatives over here. There is a tendency for self-adjustment in the flow of immigration. When we are short of manpower for jobs there will be an immediate encouragement of that flow.

Senator ROEBUCK: Hear, hear.

Senator SMITH (*Queens-Shelburne*): I would like to have an answer to a question, if I could. I am wondering what importance is attached to the accelerated capital cost allowance, even to the extent of the complete write-off in four years as a means of encouraging industry to locate in areas of surplus labour?

Mr. FLYNN: Mr. Chairman, the Government itself introduced additional capital cost allowances in the budget of December 20th to apply to the three areas mentioned in the brief: unemployment areas, new products, and new processes. However, the benefit that the Government is proposing is minor indeed. It provides a write-off doubling the amount of depreciation for one year only. The recommendation of this Association is that the method used in the Korean War should be used now rather than the very trifling allowance proposed in the Budget. In effect, the ability to write off capital assets in a period of four years is of considerable benefit to many industries. In a way it is an interest-free loan from the Government and, if it is directed into areas where it can do the most good, we feel it has definite merit.

Senator SMITH (*Queens-Shelburne*): In other words, sir, you think that this would be a rather important means of encouraging the establishment of industries in those areas? I know there are many other factors involved but this is really quite important, in your estimation?