

the year before, but the net receipts were \$4,700,000 less than they were in 1926; and the Canadian National railway system, while increasing its gross revenues by \$2,692,000, decreased its net revenue by five and a half million dollars. Now as its net revenues were only thirty millions it follows that if the revenue of the railway is decreased by five and a half millions every year it will only be five or six years before it has no revenue at all.

Then we come to the question of our trade. I will not on this occasion deal at length with this question, but I do desire to point out the real foundation upon which our present economic prosperity rests. The truth is that the population of this country has not increased during the last five years; I shall show presently that it has decreased. The truth is that a lesser number of people, inhabiting the same area, have been creating new wealth more rapidly than they did before. They have been utilizing the great resources of science and scientific investigation, improved machinery and equipment, and they have been increasing the natural wealth of this country at a very rapid rate indeed. Let us see what the figures indicate with respect to that. Last year two billion dollars of wealth were created by the Canadian people, and we sold to the people of the world 1,218 million dollars worth of goods. But what were the goods we sold? We sold \$281,000,000 of wood and paper; we sold metals and minerals of all kinds worth \$181,000,000, and we sold of grain and grain products \$447,000,000 worth; making a total of \$900,000,000 of products that we sold out of a total of \$1,218,000,000, leaving only \$318,000,000 to be otherwise accounted for. Now what did the production of wood, paper, metals and minerals, grain and grain products mean? It meant first a decline in the productivity of the soil that produced them. It meant the absolute exhaustion of mines and minerals that cannot be replaced, and it meant, with respect to wood and wood products, the depletion of resources which are utterly lost, at least for our life time, and which according to careful statisticians we shall be altogether unable to replace within a period of at least twenty years.

So that the sound financial basis upon which this country's prosperity now rests consists merely in this: we are selling our estate, which is being rapidly exhausted. That is all we are doing, and there can be no permanent prosperity in any nation whose present prosperity depends upon the sale of

its fixed assets. If you sell lands, minerals, trees and the products of lands—if you sell these things—you will not produce any permanent prosperity. Our forests are being depleted, our wood products are being sold, products that will not be replaced in our lifetime. Mines, minerals and mineral products, and the products of the soil in the way of grain, are being sold to the extent of over \$900,000,000 per annum out of a total of \$1,200,000,000 odd, according to the figures for the past year.

There is another fact to be considered in seeking to find the causes that have led to this result. We have had in Canada during the last year a very bountiful harvest; indeed, Providence during the past three years has favoured our people with quite abundant harvests. I say therefore, that it is conclusively shown, that the result which I have just indicated has been brought about notwithstanding the fact that farmers and artisans engaged in production to-day are lesser in numbers than they were five years ago. So that the only inference is that there has been an increase in energy and hard work on the part of Canadians who have made possible this increase in the temporary prosperity upon which apparently we are relying.

Let us look at the facts. I find, in the census reports which were distributed a short time ago, that the population of Manitoba, in round numbers, was 610,000 in 1921 as compared with 639,000 in 1926, an increase of only 28,000 odd; in Alberta there has been an increase from 588,000 in 1921 to 607,000 in 1926, an increase of 19,000; while in Saskatchewan the population has risen from 757,000 in 1921 to only 821,000 in 1926, an increase of 63,000. These figures give the situation in regard to the population of the provinces mentioned. But what do we find when we look at the immigration returns? During that same period there were actually brought into the province of Manitoba, and distributed by the Department of Immigration and Colonization, 40,397 persons; in Saskatchewan, 58,487, and in Alberta 78,660. And if we take the natural increase on the basis of the provincial figures we find that we lost over 100,000 in these three provinces during the five years from 1916 to 1921.

As to the basis on which our prosperity is to be achieved, what are the facts? The facts I have given come from the statistical department, but it is not enough to rest the case there; let us see how many farms have been under cultivation. The number of farms occupied in Manitoba in 1921 was 53,252, and in 1926, 53,251. In Saskatchewan, in 1921, there were 119,451 farms under cultivation as