

years of the depression and the six years of war. It looks back to yesterday, and I may say that my hon. friend the member for Muskoka-Ontario also looks back to yesterday, not forward to to-morrow.

Let me remind the house that we were told during the war that never again would we allow the economy of the country to sink back to what it was in the thirties, never again would we condemn ourselves to live in poverty while all round us we had potential and actual abundance. Yet there is nothing in this budget to indicate that the government has any intention of honouring that promise. In the war we achieved full employment and the economic security that goes with that condition. I think it is agreed, at least, among all progressive people, that we could do the same thing in peace. There is nothing surer than that we cannot do it by using the hit-or-miss methods of private enterprise. It cannot be done without careful over-all planning to meet civilian peacetime needs as we met military needs in time of war. Planning the Canadian economy to meet the requirements of the Canadian people—that should be the foremost feature of this our first peacetime budget in seven years.

Let me draw to the attention of hon. members what the lack of planning results in. It is amusing to hear members of the government and members of the opposition talk of the period from 1930 to 1935 and the years before that. The Conservatives say: Oh, yes, but in the years 1930 to 1935 there was a world-wide depression and, as the hon. member for Muskoka-Ontario said, we inherited that from the Liberals. Unfortunately, the Liberals also inherit from the Conservatives, because Liberals and Conservatives have always been the government in this country, one following the other. What they do is merely to put the blame on each other, and the blame is, of course, correctly placed.

Let me quote briefly from page 144 of book I of the report of the royal commission on dominion-provincial relations, sometimes referred to as the Rowell-Sirois commission. It says:

When the bases for progress along the old lines disappeared—

Let my hon. friends on my right listen to this:

—and the full force of the world depression fell upon our specialized exports, the problems of adjustment were extremely difficult. Canada's political, public finance and economic organizations were not adapted to deal with sharp and prolonged economic reverses. When a specific and coordinated programme was required, there was bewilderment; when positive action was needed there were only temporizing and negative policies; when a realization of the

[Mr. MacInnis.]

far-reaching effects of the altered circumstances was demanded, there was but faith in the speedy return to the old conditions of prosperity.

Could anything be truer of this budget than that statement? Could anything be truer as applied to what the hon. member for Muskoka-Ontario has just said? Again I quote from page 172 of the same book:

It is clear from the above brief review that there was no coordinated or carefully planned relief policy in Canada during the depression. It was a policy of expediency which failed either to promote maximum welfare under the circumstances or to safeguard the financial position of the various governments. The dominion, from whom alone leadership could have come, was mainly concerned with steering a day-to-day course between insisting on the constitutional responsibility of the provinces and the necessity of preventing wide-spread starvation.

Surely the policies which failed then are not good enough for 1946.

We regret, Mr. Speaker, this fundamental defect in the budget, the defect that it does not plan. Indeed it holds out no hope whatever that we can have steady and enduring prosperity in a peacetime economy. In this budget the Minister of Finance bases his whole hope for the maintenance of the prosperity that we attained in the war on three main factors; perhaps I should say three main hopes. First, he places his hope on continued high export trade. His second hope is high private investment. His third hope is in the large reserves of savings in the hands of Canadian people which will be used in consumer purchasing. I wish to deal in some detail with these three hopes of his for maintaining prosperity, on which the government, may I point out, bases its whole fiscal policy.

At page 2902 of Hansard the minister said:

Our income from exports is the most important factor determining our prosperity and employment in peace time.

He then goes on to show how during the war our exports rose to enormous proportions and that while our exports of war material have stopped they are being replaced by manufactured goods and raw materials for civilian consumption. He closes the paragraph with this sentence:

This is the main factor in the maintenance of our national production and employment.

With all due deference to the minister, I suggest to him and the government that when in a country like ours we place the whole or chief emphasis upon exports to maintain prosperity we are leaning on a broken reed. The history of the last twenty to thirty years is sufficient proof of that. Has the minister forgotten that during the depression years one-quarter of our population went hungry and