

so much upon grain farming. We have a mixed farming economy, and to that extent there is a little more stability in our prospects of income.

The lack of secondary industries in western Canada has had another serious effect. The recent prairie census revealed that the prairie provinces are losing population instead of gaining it. In my opinion there is no reason why such a wonderful country as we have west of the great lakes should be losing population at this time. If we are ever to have a stable economy and a united nation there will have to be a greater increase in the population of western Canada than there has been so far. The past few decades have not shown the increases in population that should have been shown. In the next twenty or thirty years there should be an increase of millions in the population of western Canada. The resources are there; the opportunities are there in the way of primary production, but what is keeping the people away, what is causing the drift from the west to the east, which is the exact opposite to what the drift should be, is the lack of secondary industries. It is a serious thing, and I believe this government should take steps to arrest that trend. There is only one way I know of in which that can be done. Apparently western Canada has no attraction for private capital; therefore it is up to the government to use public investment and public enterprise to develop secondary industries, particularly processing industries, in order to provide something around which the population of the towns and cities of western Canada may live.

There are those who say that this is a private enterprise country, that we have free enterprise and if people do not like western Canada, they have a perfect right to go somewhere else. That is perfectly true, but let us not forget that this has not always been a free enterprise country, and it is not now in actual fact. Ever since the first prime minister of Canada introduced what he called a national policy, which meant the subsidizing of the industries of central Canada to provide Canada with manufacturing industries, this has not been a free enterprise country. When the tariff policies were instituted, all the people of Canada, regardless of whether they lived in the east, in the west or on either coast, contributed through the tariff structure to the building up of industries in central Canada. We are not objecting to that, because we realize it is desirable that Canada should have manufacturing industries in Ontario and Quebec or wherever else it is possible to have them. But we should not be deluded by the

story that this is a free enterprise country, that those industries grew up through their own efforts. That is not so, because they were heavily subsidized for many years, and they are still being heavily subsidized through our tariff structure. The taxpayers are still paying for the manufacturing industries of central Canada.

If that is a desirable policy for central Canada then something of the sort is desirable for the west. I am not suggesting that we institute a new tariff policy for the west, but I do suggest that the government should consider using public investment and public enterprise to initiate industries in western Canada where the people themselves are not able to do it because of a lack of capital. I am saying these things because I believe there is a serious trend in present government policy away from public investment and public enterprise. During the years of the war the government were forced to use public enterprise in order to create a war effort. It was a struggle for survival, and although many of the members of the cabinet of that time were private enterprisers and did not believe in public enterprise, yet events forced them into the position where they had to use it. It must be said to their credit that they used it with great success.

Today the trend seems to be the other way. In this connection I should like to quote a few passages from a speech made by the Minister of Finance, I think on January 27, when addressing the Toronto board of trade. I think his remarks indicate the regressive policy of the government. Here is what he gave as his method for preventing the next depression—and I would point out that in this case he used the word "depression," which he has shied away from ever since:

If at any time in the future a recession or depression is threatened, it may be far wiser and far cheaper to make drastic cuts in income and corporation taxes in order to expand consumer buying power and stimulate private investment than to embark, let us say, on an ambitious public works programme which is bound to be wasteful and would tend to perpetuate itself.

That was a statement of policy by the Minister of Finance, who said in plain language that his solution for a depression would be to cut the taxes of the corporations and thus in some mysterious fashion extend the buying power of the people. Then he goes on to say that he does not advocate a public works programme because it is bound to be wasteful and will tend to perpetuate itself. Why should any public works programme be wasteful? No one in this house has asked for public works which are unnecessary or