

work in the country drifted into the cities and became a charge upon them, forcing those municipalities to spend very large sums of money every year from 1930 up to the present time.

I hope honourable senators will not charge me with devoting my remarks to-night to matters that might be termed parochial or sectional, for I feel that when discussing national questions we can add to one another's information if we talk particularly about those sections of Canada which we know best, and in that way exchange views which may be helpful in bringing about a better understanding throughout the Dominion.

On top of the depression Western Canada was faced with a condition brought about by drought and crop failures, and probably more serious than in any other period of its history. There were crop failures in south-western Saskatchewan over a period of years. Then last year there was rust in southern Manitoba and many parts of southern Saskatchewan, and there was frost in almost all of northern Alberta and in parts of northern Saskatchewan. Last year at one time the northern part of Alberta—and I think it was the same with the northern part of Saskatchewan—appeared to have in prospect one of the heaviest crops ever known in the history of those sections. In southern Alberta, south of Calgary, there was a very light crop in prospect because of a shortage of rain; in fact we appeared to be on the verge of what looked like a crop failure, or at best a half crop. But what promised to be a bumper yield in the northern areas was practically ruined by frost, while rust destroyed a promising crop in other sections. What actually happened was that the section with the leanest crop got the highest financial return. Such was the situation over a period of years, a situation due not to the depression at all, but to climatic conditions, which destroyed millions of dollars' worth of crop in many sections of Western Canada.

Now I see an improvement in conditions, and there is a better spirit abroad because the farmers are getting higher prices than those of a few years ago. They are spending their money more freely because they have something to spend.

A few days ago Sir Edward Beatty, speaking before the Canadian Chamber of Commerce in Toronto, pointed out something that I think the country at large should keep in mind, namely, that it is of the utmost importance to Canada that what is known as primary industry should be given the greatest encouragement by governments. He said:

Business men, too, had failed by not impressing on the people at large that Canada is primarily an agricultural community, and that industrial capital and labour in Canada could never for long earn profits and wages greatly out of proportion to the profits or wages of agricultural capital and labour. We should have enough intelligence to know, that in an agricultural community when butter is 40 cents a pound, most people will have 40 cents to buy a pound of butter. That is, to my mind, a more satisfactory condition than one in which butter is 20 cents a pound, and no one has 20 cents to buy a pound.

The absence of purchasing power has very seriously affected our national prosperity during the last few years, and if we can restore purchasing power there will be an improvement all around. It is the business of governments to try to restore purchasing power. If it is not restored, we cannot expect to halt the movement for changes in the present capitalistic system, but that movement will persist and will be supported by many people, because they want something done to better conditions.

As I have said, I believe purchasing power can be restored if we can evolve a policy that will enable us to get into the markets of the world, and to this end we must be prepared to purchase from other countries in order to widen the channels of trade both in and out. I feel that our secondary industries can only thrive when our primary industries are prosperous. It is not so long ago that I was in one of the smaller cities of Ontario. In the course of a conversation I had with the owner of a very important local industry, who represented the third generation of the founder's family, he told me the factory was practically closed down, the employees having been out of work more or less for months. He attributed the condition to the lack of a market for his products in Western Canada. Briefly, this was the history he gave me of the industry. It was started in a small way in the early years of Confederation, and catered to a market confined mainly to Ontario. With the development of the West the market extended to Western Canada, and the plant was enlarged and more men were employed. Later, with the greater expansion in the West, the plant was still further enlarged and the number of employees very considerably increased. The business continued to be very prosperous until the collapse of prices for farm products, with the consequent loss of purchasing power in Western Canada.

I believe it was Professor Allen, of the University of Saskatchewan, who within the last couple of years made a survey as to how much money needs to be expended in that province to put the farmer's buildings, fences,