

guns, battleships, et cetera, on a big scale for our security in the future, because I recognize that these would likely be obsolete if and when they would be needed. I believe, however, that we should, for our own security, make every effort to develop the gold resources of this nation, in order that we may have the economic strength to defend ourselves should a great conflict overtake us, and into which we would be drawn because of our geographical position.

I would point out that that great nation to the north of us, Russia, is sparing no effort to seek out and utilize the latent mineral resources of that country. Compare that effort with that of Canada, where in this year, 1947 this government proposes to spend 0.68 per cent of its expenditures toward the encouragement of developing and utilizing our natural resources.

I further believe that an aggressive policy of encouragement to the development of our natural resources would lighten the burden of every taxpayer, because it would create new wealth, create gainful employment, bolster our exports and place this nation in a far more substantial and healthy position to carry out the present-day costs of government.

If some action of this kind were undertaken by this government it would do more than any other single action we could take to meet the serious situation which has arisen whereby one-fifth of the national income is now siphoned off to meet the costs of federal government alone. I would further point out that, unless this situation is met, and a serious effort is made immediately to do so, our position will become progressively worse in Canada.

In the past, great mines which have created millions of dollars in new wealth, great pulp and paper companies which today are bringing millions of dollars annually in United States funds, were undertaken by the investment of private capital. Today, if we are to continue to siphon off one-fifth of the national income to cover the costs of federal government alone, to say nothing of the percentage of the national income which is required to maintain provincial and municipal governments, very little will be left for investment that will develop our natural resources. For this reason, I believe it is essential that the seriousness of the situation be recognized and action be taken by this government immediately to place our economy on a more stable and more productive basis than is indicated in the budget now before this house.

Mr. H. G. ARCHIBALD (Skeena): Mr. Speaker, we are discussing the budget tonight. Budgets may come and budgets may go, but

seemingly the cost of living goes on forever. When goods are scarce and prices go up they always rise ahead of wages. When prices begin to fall it means unemployment. Therefore this budget might be balanced at this time, but tomorrow it might be absolutely meaningless in the case of a depression, or a recession, which is the more fashionable word at the present time.

This evening I should like to air some of the problems that face our citizens in the northern part of my riding of Skeena and in the Yukon Territory. Representations have been made from time to time by such bodies as the Atlin board of trade and the British Columbia-Yukon chamber of mines over the excessive costs of freight and passenger service into those areas. The Atlin district of British Columbia and the Yukon Territory are well known because of their history of gold mining. They came into prominence during the war because of their key geographic position at a time when there was danger of invasion by the Japanese. That part of the country has contributed in the past and is still contributing to the prosperity of Canada. It is certainly true that by far a greater proportion of wealth has been taken out of there than has been put in over a period of time, and this more so than in any other portion of the country.

There is still great unexploited wealth in that area, as is pointed out in a bulletin issued by the Department of Mines and Resources entitled, "The Yukon Territory" which was printed in 1944. On page 17 it states:

To date, production of minerals in the Yukon has come from a few rich deposits. No area has been thoroughly prospected and little drilling has been done, except for placers. Prospecting has been handicapped by the remoteness of the territory and the severity of the winter climate, but much of the geology of areas that have so far received little active attention is favourable for the occurrence of minerals. This factor, together with the variety and widespread distribution of the lode and placer prospects suggest possibilities for expansion in mineral development.

Perhaps the greatest drawback to the development of that area is the complete dependence upon air transportation. At the present time that territory must be developed with modern industrial equipment such as large dredges which cannot be transported by old-fashioned ground equipment or by air. This is recognized by the provincial government of British Columbia, which at the present time, as I understand it, is willing to build its section of the road from Atlin to the Yukon border if the federal government will build their section from the Yukon border to the Alaska highway. That section of road would be only twenty-seven miles in length. I know that the Depart-