

capital has indeed complicated rather than assisted the task of achieving a sustained high level of employment.

Do we want to live within our means? Adjustment to a lower scale of total spending in the economy is obviously possible if we are resolved upon it. There is room for debate about methods and measures, but let us not exaggerate the difficulties that would be involved in making a substantial start on getting away from the present heavy dependence on foreign resources and foreign borrowing. Increases in the rate of private saving of various kinds, and of public saving through governments developing an excess of revenue over total expenditure, are surely possible without hardship. At the same time there are various kinds of capital expenditure, both public and private, which we do not need to increase as rapidly in the future as we have done or attempted to do in the past. We may have to question among ourselves the sanctity of a number of sacred cows in the field of public investment. This may be shocking to exponents of the do-it-all-now-at-any-cost school of expansion, but it may yield some interesting answers once we begin to ask the right questions. One of the questions might be--are those who will benefit willing in certain cases to pay for further capital expansion by rate charges on a pay-as-you-go basis? Another question is whether the community as a whole or the affected groups are willing to pay for certain public expenditures out of increased taxes? If not, what things would we be most willing to forego if borrowed funds were not available? In the field of natural-resource development, is it necessary or wise to proceed at quite the pace we attempted in the fifties, or would it be desirable for public authorities to husband more of our natural resources for development at a time when Canadian savings, growing over the years, would be larger and better able to finance their development without foreign capital?

#### How Much is Necessary?

There can be no doubt that most of the kinds of capital expenditure now being made in Canada are good in themselves in varying degrees, but even where they are highly desirable the combined total is so large as to raise the question, how much is really necessary, and how soon is it necessary that certain projects should go ahead?

This is the kind of question that individuals and families have to ask themselves constantly. It is most unusual for any family to be in a position where it can afford to have whatever it wants and all that it wants as soon as it wants. There will always be many desirable things it would like to have or do but cannot afford--at any rate not yet--not until it has built up its earning power (production) or is able to increase its saving by doing without something else it wants less. What is taken for granted in the case of a