

and business in Canada, must pay in the way of provincial and municipal taxes. That, Mr. Speaker, indicates a serious situation arising in our national economy.

I, for one, believe that some economies could be exercised and help materially to reduce the cost of our federal government in Canada, but I do not believe that, through this medium alone, can that situation, by which one-fifth of the national income is required to finance the federal government of this nation, be changed. When we realize that a half billion dollars is required annually to finance the debt of this country, and another half-billion dollars is required for what is considered essential ordinary expenditures; when we realize that the defence of this nation entails an additional cost of a quarter billion dollars, we have some conception of why 12,000,000 Canadians today find themselves confronted by the federal government with an annual budget in the neighbourhood of \$2 billion. We have essential expenditures also for social services, such as family allowances, which today total one-quarter billion dollars, and old age pensions, the cost of which will increase as our legislation is broadened and extended to meet present-day needs.

While I do not disregard the fact that economies can and should be exercised in the expenditures by the various departments of government, I do not believe that the effect of these economies, no matter how rigid they may be, would be sufficient to meet the present situation.

I, for one, am prepared to recognize that the billion dollar budgets that we have acquired during the war are something that will remain with us in the future. Believing that, and recognizing that economy alone will not meet the problem of better fitting this nation to carry such a load, I suggest to this house that we must make another approach that will better enable the people of Canada to meet the costs of government which, as I have pointed out, have shown such a tremendous increase during the past nine years.

In my opinion, when a nation turns to stabilize its economy after a terrible conflict such as we have just passed through, there is no better place it can turn to lick its wounds than by developing the natural resources of the country.

If we are to maintain the high standard of living, high cost of government, high percentage of employment, then we must direct our efforts into avenues that will create new wealth. The department of this government that is chiefly charged with that responsibility is the Department of Mines and Resources. I find, on reviewing the record, that the total expenditures of the Department of Mines and

[Mr. Cockeram.]

Resources for 1938, excluding the immigration and Indian affairs branch, total \$11,368,472, or 2.05 per cent of the total expenditures in that year.

In the estimates now before this house, the expenditures of the Department of Mines and Resources, excluding the immigration and Indian affairs branch, are estimated at \$14,301,303, or .68 per cent of the total expenditures for the year. In other words, at a time when this nation should be directing its efforts toward the development of its natural resources, toward the creation of new wealth, toward efforts that will give gainful employment, we reduce the percentage of 2.05 per cent of the total expenditures made in the last pre-war year, to .68 per cent for this year.

In my opinion, the efforts made in the direction which I have advocated were little enough in 1938, but today I believe the country will agree that they are pathetic.

When I realize that one of the greatest responsibilities of any government in Canada is the maintenance of a high national income in order to maintain employment, maintain our standard of living, maintain and increase our standard of social services, I believe the effort of this government to encourage and assist the development of the natural resources with which we are endowed is nothing short of pathetic.

The other day Prime Minister Attlee of Great Britain, in his speech in the British House of Commons, stated:

Dangers to world civilization from another world war are greater today than they were between wars.

If that statement is true, as I believe it to be, then as a nation we should be extending every effort to develop our natural resources.

As one example of this, I would cite the case of gold. I believe that this nation should make every effort now to encourage gold mining in this country. I suggest this not alone because of the gainful employment it will create, nor because of the new wealth it will produce and the assistance that it will be to us at the present time in our foreign exchange position, but I believe all-out encouragement is necessary now as a move toward the future security and defence of this nation. It is a well known fact that during the last war the allies were able to purchase essential war materials from Spain and Portugal, and other necessary materials from South America and Turkey, because we had gold to make in payment for the same.

Further, I do not believe, nor do I advocate, that we today should build aeroplanes,