

that this year they will be at least as high as they were last year, namely, of the order of \$900 million or \$1 billion—we have got to combine our efforts in such a way as to provide incentives and to create a climate in which this economy can work to full measure.

“Priming the pump” may be a very good policy from time to time, but I know from my own early days the basic origin of that expression. The pump was primed because it had got a bit rusty, or because something was sticking and would not work. You primed the pump to make it work. You primed it expecting it would continue to work after you stopped priming.

We have reached a stage with respect to our winter works program, our subsidies, and all such things, where their effect must be to impart a momentum to the economy that will make it carry on. That is how we should look at these things. In the meantime, in order to take care of such situations as unemployment, we must apply these other temporary measures, but we must never use them as an end in themselves.

I cannot finish without giving my honourable friend from Pickering (Hon. Mr. Grosart) one more reference. I do not think I would have used this had he not referred to Mr. Chalmers. What I intend to read now is from Mr. Chalmer's paper, the *Financial Post*. The date is October 20, so it is fairly recent. This is from a front page editorial under the heading “Nation's Business”:

Here is a question to which, we suggest, our political governors promptly address their serious attention.

Can very basic changes in Canada's iniquitous and destructive tax system await the usual lengthy mechanics of royal commissioning?

The hard and ugly fact is that our anachronistic tax system inhibits and discourages economic growth. It punishes success. It destroys capital. It is one of the most violently offensive tax systems devised anywhere in the world.

I will let my friend see this editorial afterwards, so that he can fully understand it. I pass over a paragraph, but it does not change the context of what I was reading. The editorial continues:

“Social justice” and “economic equality” have been the predominant objectives of the Canadian economic society of the past. But for a country which has reached our point of stagnation and which faces the horrendous task of creating new jobs by the million within the next

decade, there is very real social injustice in perpetuating the tax system of earlier generations.

While I am on that point, I should like to refer to a quotation from a speech made by President Kennedy within the last few months. In setting out his objective and that of the American people—an objective which is equally applicable to us—he said:

My interest is in an economy which will be strong enough to absorb the potential of a rapidly expanding population, steady enough to avert the wide swings which bring grief to so many of our people, and non-inflationary enough to persuade investors that this country holds a steady promise of growth and stability.

Then there is a special reference to the United States:

My specific interest at this time is in maintaining a competitive world position that will not further stir the gold at Fort Knox.

Paraphrasing that to apply to Canada, I would say that my special interest at this time, in maintaining a competitive world position and in improving the economy of Canada, is to see that we will not again disturb our exchange fund to the extent that we have to rush into emergency and austerity.

**Hon. Mr. Grosart:** May I ask the honourable senator if, when he said “again”, he was referring to the last time it was done, by the previous administration?

**Hon. Mr. Hayden:** My friend is a master propagandist. His use of the word “again” there is very significant. I know of one occasion when we had a form of austerity to support our devalued dollar—that was after the war. I know of only the one occasion, so I must answer my friend's question by omitting the word “again”. Now we understand each other. I was referring to any occasion at any time in the history of Canada when the resources of Canada, generally or in any particular, became imperilled.

Apparently I still have not got my message through to my friend. The barrage that is floating there, whether it is radioactive or not, is such that I am able to get through only once in a while.

I am speaking on the Canadian situation and I am trying to eliminate from it a lot of the colouring which has been put into it in the last few weeks. There are many more things to be said on this question but there is another time for saying them.