

The article points out that retail sales last year in the province amounted to \$883 million odd, up from 1957 by some \$40 million. That situation applied not only to the cities of our province, but to the rural areas as well.

I have a clipping here from the *Saskatoon Star-Phoenix*, stating that Saskatoon bank clearings reached an all time high last year, up \$66,780,000 from 1957 to a record high of \$541,129,000.

I should like to inform honourable senators that the province of Saskatchewan does not any more depend entirely on wheat. I have before me a report of the Saskatchewan mineral production for the year 1958, which shows that the total production of oil, gas, gold, copper, salt and other minerals in that year was \$200 million. The production of these items is a great help to the economy of our large wheat-growing province. I have the details on the mineral aspect of our economy, but I shall not go into them.

Let us look at conditions a little farther west, in the province of Alberta. Here is a clipping from a newspaper with the heading "Alberta's farmers had hefty 1958 income". The article goes on to say:

A preliminary estimate by the provincial government officials puts farm cash income in 1958 at \$488 million, a gain of \$46 million over the previous year.

Another article carrying the heading, "Outlook in Alberta bright", has this to say:

Unemployment has caused concern in Alberta just as it has elsewhere in Canada . . . but it is still difficult to make any kind of case for a recession in this province.

The article goes on to tell us that the value of manufacturing in Alberta last year amounted to \$800 million.

Another article is headed "Beef prices expected to stay steadily high". Of course Manitoba and Alberta are provinces which produce great herds of cattle. By the way, Manitoba is one of the best mixed farming provinces in the whole of Canada at the present time, and the fact that beef prices have been high has added greatly to the prosperity of the farmers in that province, and as well to that of the farmers of western Saskatchewan and southern Alberta who are also in the cattle business.

Now, what is the outlook for 1959? I have read a good deal in the newspapers since returning to Ottawa, and I find that the outlook does not look too bad. The *Financial Post* of January 24, in an article about steel, says the steel demand looks bright for 1959.

A clipping from the *Montreal Gazette* contains these words:

Another construction record is seen this year.

The *Gazette's* Annual Review predicts that the chemistry industry is going to have a record year.

The *Financial Post*, in its "Trend of Business", makes these statements: Manufacturing output higher in November. Outlook for 1959 good. Value of inventory owned by manufacturers up. Upswing in new orders in November. Construction dollars hit high record in 1958. Then it goes on to talk about bank clearings. Incidentally, I read another article which said that zinc and lead sales were going up.

Now let us look at the economy of the United States of America. The economy of that country is expected to rise this year to \$500 billion. That being the case, the Americans can look forward to a good year which, no doubt, will be reflected and have a bearing on prosperity in Canada. In this respect I recently noticed that the manufacturing of cars is on the upgrade.

So, honourable senators, I am not at all despondent. We had a fairly good year in 1958, when you consider there was a recession; I feel things are well under control now, and that we will possibly have another good year in 1959; indeed, in my honest opinion it will be a better year than 1958.

Now, everyone seems to be talking about inflation and cost of living. I am not enough of an expert to tell honourable senators how we can cure inflation. I read a few days ago an article written by that famous columnist Bruce Hutchison, in which he said the only way to cure inflation was to raise taxes—put them a way up—pay our debts with hard money, and do that kind of thing. He did not say what effect all this would have on unemployment. On the other hand, I have before me a statement taken from the *Winnipeg Tribune* after the Canadian Chamber of Commerce had filed its brief with the dominion Government. It is headed: "Chamber asks tax cuts to end inflation threat".

I don't see how the two can be reconciled. One person says, "Raise the taxes". The chambers of commerce say, "Lower them; that will help to end inflation." There is also the assertion of an ex-member of Parliament, now connected with the labour union, to the effect that high wages and a 30-hour week and all that kind of thing have nothing to do with inflation. As I have said, I am not an expert and I do not intend to go into this matter any further.

Last year the cost of living rose 2.5 per cent, but if one looks back, honourable senators, one finds that between 1946 and 1948 the increase in the cost of living was 21 per cent. The tendency to rise, therefore, must