

For the same fiscal years, the total provincial expenditures, exclusive of capital construction, are as follows:

|                          |              |
|--------------------------|--------------|
| 1948-49.....             | \$41,207,301 |
| 1950-51 (estimated)..... | 51,018,231   |

An increase of \$9,810,930.

It will be noted that during the three-year period while revenues, exclusive of oil, increased by \$6,025,671, ordinary provincial expenditures, exclusive of capital construction, increased by \$9,810,930. In other words, the increase in ordinary expenditures, exclusive of capital construction, was \$3,785,259 more than the increase in revenue from all sources, exclusive of oil.

*Good comparison*

In the fiscal year 1948-49, the surplus of revenue, exclusive of oil, over expenditures, exclusive of capital construction, was \$12,756,558, while for the fiscal year 1950-51 the estimated surplus of revenue, exclusive of oil, over estimated expenditures other than for capital construction will be reduced to \$8,971,299. If it were not for revenues accruing to the Province from the development of our oil resources, these figures would represent the total funds available to the Province for capital construction in the respective fiscal years without resorting to increased taxation or public borrowing. It is significant that on the basis of the estimates for the ensuing year, as the only alternative to increased taxation or public borrowing, it would be necessary to reduce the expenditures proposed for essential capital construction by \$12,373,681 if it were not for the revenue accruing to the provincial treasury from the development of our oil resources.

*Good!*

These facts indicate the favored position we enjoy as citizens of a Province so richly endowed and emphasize our inescapable responsibility to conserve and develop our vast resources as a matter of sacred trust in a manner that will assure the greatest possible benefit to all the people of this Province now and for generations to come.

But it would be a grave mistake to let the favorable position to which we have attained blind us to the increasing indications that all is not well with our Canadian post-war economy as a whole. In closing the Budget Address last year I pointed out that the general prosperity of the war years has been maintained thus far, both in Canada and the United States, primarily by circumstances which are neither permanent or economically sound. I suggested that effective market demand for agricultural and industrial products was being sustained by large scale government spending for defence purposes and by the shipment of vast quantities of goods to European nations under the Marshall Recovery Plan. I pointed out that any substantial change in this set of temporary circumstances that would lessen or remove the artificial stimuli upon which our post-war prosperity has been made to depend, would quickly cause pre-war economic history to be repeated and once more bring to light the inherent defect in our prevailing orthodox money system. The developments of the past year have confirmed the soundness of that observation.

It is increasingly apparent that the Canadian post-war economy today is being threatened by developments bearing a striking similarity to those which marked the economic cycle of pre-war years. Falling markets for primary products, rising unemployment and an increasing backlog of unpurchased goods despite extensive recourse to credit buying are unmistakable symptoms of a serious maladjustment in our national economy. This maladjustment cannot be corrected by treating its symptoms while ignoring its cause. If national prosperity is to be established on a sound foundation and made an enduring reality two basic requirements must be met.

1. Industry must be capable of producing a sufficient quantity of goods to make physically possible a high standard of living for all our people.

2. There must be a constant supply of consumer purchasing power sufficient to make possible the distribution of our entire national production or its equivalent if exchanged for other goods through the process of export and import trade.

Canadian industry, in this land of abundant resources and under a system of individual enterprise, has demonstrated its ability to exceed the production of socialized states and produce sufficient goods to make physically possible a high standard of living for all our people. But past economic cycles have demonstrated with equal conclusiveness that under our present system the aggregate amount of consumer purchasing power distributed in the processes of production is insufficient to make possible the distribution of our entire national production or its equivalent if exchanged for goods of other countries through the process of export and import trade. This chronic shortage of purchasing power is the inherent weakness in our present national economy and is the basic cause of economic recession which must be removed before our people can be permanently free from the haunting fear of social and economic insecurity. It is not enough to rely on government spending for war materials, to bolster incomes sufficiently to sustain effective consumer demand for the peacetime products of industry. Nor is it a practical solution continuously to reduce the quantity of available goods to an inadequate aggregate of consumer purchasing power by destroying or giving away or selling on credit to other countries vast quantities of our production.

The solution requires the intelligent reform of our national monetary system and the introduction of a new method of supplementing the aggregate earned income of the Canadian people. It lies within the sovereign power of the Parliament of Canada to direct the monetization of that portion of our national production for which there exists no equivalent amount of consumer purchasing power and to utilize the monetary fund thus created to maintain the necessary equation between consumption and production. To this basic principle of intelligent monetary reform, the Government of Alberta is unequivocally committed and we shall continue in the future as in the past to strive by every lawful means to bring about this essential adjustment in our national economy.

The Budget I have presented to you today is designed to ensure the continued development of our Province in the best interests of its people as we continue our progress to that goal.

Mr. Speaker, I move that you do now leave the chair and that the Assembly resolve itself into a Committee of Supply for the consideration of sums to be granted to His Majesty.