

or child for a population of ten million people, or for a family of four it would mean consumable goods to the value of \$4,000.

That is what would be possible by way of production of goods in Canada. As I have indicated previously, if we are to insist that people must derive their income by reason of being employed and if we are to take advantage of machinery and power production we are demanding two things, one of which is a contradiction of the other. The only manner in which these goods can be distributed is through consumer purchasing power.

This raises another fundamental question into which my time will not permit me to go. This is a question which is the subject of much controversy and economic thinking, and it has been mentioned before by several of my colleagues. I refer to the relationship of national income to national production. It has been our constant contention in this group that national production and national income are not one and the same thing, that national income is always less than national production. Ten billion dollars worth of goods in the post-war period will not be represented automatically by ten billion dollars of purchasing power. The monetary income of the people will probably be around five or six billion dollars. There will be a shortage, a deficiency, a discrepancy, between total income and total prices.

The only manner in which this gap can be bridged is by the issuance of national money sufficient to balance income with production. It will not do any good to raise wages because immediately wages are raised, prices go up and there is no more purchasing power. Again I see absolutely no advantage in the government taking over a factory, operating it and trying to bring about distribution. If the government owned a factory it would be confronted with the same problem of the displacement of man-power by machines as confronts the private owner. The only argument I can see for government ownership of industry is in connection with administration, and personally I have yet to see any evidence which convinces me that the government can run an enterprise more efficiently than a private individual.

Once more I say that I do not believe that the operating of business is a government function. I believe that the government exists for the purpose of doing for the people what they cannot do for themselves. The people can manage their own business; they can produce the wealth of the nation, and it is the duty of the government, by the creation of

[Mr. Kuhl.]

proper laws, to enable the people to do this. I believe the conducting of business is the duty and obligation of the private individual.

As I say, the only way I can see to balance consumption with production is the issuance of national money to an amount equal to the difference between national production and consumption. That would not be adding water to the milk as some hon. members have suggested. It would be no different from the case of an owner of a theatre with 1,000 seats who had printed only 750 tickets. It would not do any good to redistribute the 750 tickets in order to take in 250 more customers. The printing of another 250 tickets to take in another 250 customers would not constitute watering the milk. The same thing holds true in regard to raising the national income until it equals national production.

This represents the cultural heritage of the Canadian people to which they are entitled by reason of being citizens of this modern generation. It belongs to them by reason of being the fortunate recipients of the vast heritage of discovery and invention, of culture and learning, of organization, whether social, political or industrial, of education and religion, of aspirations and ideals which have been handed down and developed generation after generation from the dim beginnings of the race.

The national dividend is something to which the citizens of Canada are entitled by reason of being citizens of this modern generation. It is their heritage and just right. When the national dividend is distributed among the people their incomes will be sufficient to buy back as much of the national production as they desire. When they are able to do that they will have security. They will then be secure at all times, in old age as well as in youth. Consequently I assert that many of the problems that we now regard as special problems, such as old age pensions, pensions for the blind, lack of health facilities and so on, will disappear when the people have sufficient purchasing power to enable them to buy as much of the national production as they desire. In conclusion, I say that I believe it is the duty of this committee as well as the committee on post-war reconstruction and rehabilitation to confine their attention to fundamentals, to the foundation of the economic system which we desire to see obtain in this country. When that is done, then I am satisfied that the need for much of the debate and the discussion and the legislation that is contemplated will disappear entirely.

Mr. J. R. MacNICOL (Davenport): Mr. Speaker, I thank the hon. member who has just taken his seat for his kindly references