

External Affairs

against Yankee Coca Cola. That shows how the United States is actuated by an expansionist policy in this matter.

Another very important consideration is the fact that the United States is unlikely to change this policy and to become informed. One of the difficulties in the way of a change of heart in the United States is the fact that there are a lot of politicians down there as there are in Canada who, when they go out on the hustings, are not concerned at all about telling people the truth. All they are concerned about is to get back into office. Therefore they misrepresent, distort and suppress the truth right and left, and the result is that people become more and more confused. All you have to do is listen to the speakers in a United States election campaign, and the nonsense they talk, in order to be impressed with that solemn fact.

In addition, the United States naturally fears unemployment, debt, taxation, insecurity of supply, shortage of purchasing power and a consequent lack of markets within her own borders, and poverty among her people, which obtains there in a very large degree. These considerations naturally make the United States tend to hold to the policies which she has embraced up to the present time.

United States reactions and attitudes are based upon sound reasons arising from solid actualities facing her under her present financial and capitalistic system. If she were to change her financial system, if she were to adopt Social Credit, she would realize that she could distribute her goods within her own country without adding to her debt, and she would change her whole impact on the world.

Having said so much about our great neighbour, let us now take a glance at some of the other nations, and especially the problems of the have-not nations. Let us take Japan as an example. I was a little unhappy when the Secretary of State for External Affairs told us, as I recall it, that trade unions had been organized in Japan, and they had done various other things that were going to force up the cost of Japanese goods so that the Japanese will not be able to compete successfully with our goods. I do not want them to compete with our goods, but will someone who thinks he knows tell us how in the world the Japanese are going to be able to sell enough of their goods to secure the things their country needs if their prices are forced up automatically in that fashion? There are seventy-seven million people in Japan in a constricted area and with very meagre resources. How are they going to live? If we want a real problem in external affairs let us just work on that one for a while.

Japan tried to reduce her costs by various means, and according to information I have, as an example of what she did, in 1935 she built a bicycle that Canada could have purchased from Japan for \$5.75 when Canadians were producing and selling a similar bicycle for \$50. That is what the Japanese were prepared to do in order to live in this world and get the goods they needed. I think that if we had been in the position the Japanese were in we would have been thinking of something like Pearl Harbor too, don't you?

Now I turn to France, another type of nation, which may be said to be typical of Spain, Germany, Holland and a number of other countries. What happened to France? Well, according to the *Christian Science Monitor* of February 20, 1950, the French are quite uncertain in regard to their industry. In 1949 they produced 26½ per cent more steel than in 1948, an output of 9,000,000 tons, while also producing 6,000,000 tons more of coal in 1949 than in 1948. But they produced that coal with 187,000 workers, whereas in 1948 they required 217,000. What does that mean? It means that great numbers of the people who produced coal were turned out of work and consequently had no buying power in 1949. What were they to do about those people? If you are looking for the causes of communism, there is one. We think that is all right. Well, it may be all right, but it causes a great deal of trouble. France also increased its hydroelectric production far beyond that of 1938.

Now it seems that French industrialists are facing the necessity of competing in foreign markets; and with whom? With the United States, for example; with Great Britain, for example, in markets where already there is more of their kinds of goods than are needed. A large section of the French people have only enough money to pay for rent and food. France faces the danger of overproduction. What are they to do about it? They are faced with the same problem the United States is faced with.

According to the *Christian Science Monitor* of February 27, 1950, the Marshall plan is imperilled by the flow of foreign goods to the United States. Congressmen are now objecting to foreign goods, and are insisting that countries getting Marshall aid be required to buy United States goods. Senator Tom Connally is even said to be urging that European countries buy United States oil with Marshall plan money instead of Near East oil. Henry Cabot Lodge, junior, is asking why Britain should be permitted to send certain textiles to the United States when many New England textile mills are likely to be closed, with resulting unemployment. According to the same newspaper a leading British electrical