

control three-quarters of the world's surface, leaving sixty-eight other nations with barely one-quarter. They control eighty-five per cent of the world's mineral wealth and raw materials, leaving the other sixty-eight nations fifteen per cent, and these other nations include Germany, Italy and Japan. How long do you think that allocation of the world's wealth can be perpetuated and these active, energetic, virile people are going to tolerate that state of affairs? Certainly not indefinitely, for they are suffering economic and territorial strangulation. Why not try to make these nations our friends and try to prevent war by removing the causes of war, examining the situation and offering them a frank discussion, assuring them a reasonable certainty of there being a place in the sun for them as well as ourselves? These dictators are not unreasonable—they want peace. And a nation, whether it be a democracy or a dictatorship, will respond ultimately to a generous attitude.

In order to prove that there is no shortage of everything necessary to satisfy the physical and cultural needs of every human being on this planet, I want to quote one of our own scientists, in our own civil service, Doctor Frank Lathe, in an address which he gave to the American Association for the Advancement of Science, as reported in the *Ottawa Journal* of July 1, 1938. He said:

All of the 91 chemical elements now known are present in the earth's crust in sufficient quantity to satisfy man's needs for all time, and the present wars, economic maladjustments, unemployment and other social ailments are merely the result of man's inability to make proper use of the plenty which surrounds him.

The world's natural resources become most significant when considered in relation to man's needs. The available foodstuffs of the world are more than sufficient for the present population, despite the extensive use of substitutes in Germany and curtailment of farm production in the United States, and a major increase in food production throughout the world is readily possible.

Clothing can be produced in quantities adequate for all reasonable needs of mankind regardless of population numbers. Man still has large supplies of wood, iron and other building materials for the building of homes and other structures; and the available supplies of coal, oil and water power for heat and power production are still far from exhausted.

In the light of the bounty which nature has provided for man his international squabbles, economic upsets and other maladjustments appear ridiculous, Doctor Lathe declared, and "the highest standards of living can be attained only through world peace and international cooperation" instead of international contention.

The second main cause of war, which, in my opinion, is closely related to the first is a defective method or system of producing and distributing wealth. The producers—workers and farmers—are paid so little for their work that they cannot buy back the goods which they have produced. The so-called surplus, which could readily be consumed at home if there were only enough

[Mr. Rowe (Athabaska).]

purchasing power distributed to buy it, is then shipped abroad in an effort to sell it. But the workers and farmers of other countries are also paid so little that they cannot buy either our surplus or their own. Then, because goods cannot be sold, the factories work only part-time or are closed down, and the people with already low incomes are compelled to accept still lower standards of living.

The inherent defects and abuses of our present system, the principal one being that it can succeed only by making things scarce because an abundance of either farm products or manufactured goods forces down prices and thus destroys profits, cannot be cured except by converting the system from a competitive into a cooperative one. That is the proposal of the party to which I belong. We propose to carry this out, of course, in a constitutional manner by orderly methods. From my observation and study of the tariff question I have come to the conclusion that we cannot hope to find a cure through tariffs. The United States of America is a good illustration of the point. It is at once the richest market and the largest free-trading area in the world, there being no trade barriers between the forty-eight states; yet there are 21,000,000 people unemployed, and the average family income is only about one-quarter of what it could be, as proved by the Loeb government survey of 1934, if engineering principles were practised in production and distribution. Thus, if absolute free trade were introduced into the world to-day, the chaos would be greater than it is now because we would be compelled to compete with goods produced in oriental countries under extremely low wage conditions.

The conditions I have been describing as prevailing on this continent exist also in England, France, Germany, Italy and Japan; but in the three last named countries the problem is made worse by an acute shortage of raw materials. While Professor Wilcox, in his recent book, "Nations Can Live at Home," a study in agrobiography, which may be found in the parliamentary library, proves that England, France, Germany and Italy could all produce sufficient food at home to provide for the needs of their respective populations, and while that might be a solution under a primitive, pastoral pre-machine economy, that is not the type of economy which exists in Europe to-day. All the great nations I have mentioned are relatively poor in vital raw materials in their home countries. In these circumstances they must import such raw materials and manufacture or process them into finished goods which are sold abroad. If

these manufactured goods are exported and sold abroad, people in other countries who buy them must be able to sell exports of their own to European countries in order to pay for the goods which they buy from Europe. Since the European countries cannot import large quantities of manufactured goods from overseas, because this is the very type of goods they are exporting, they are forced to import large quantities of farm products, and then farmers in the European countries are deprived of a great part of the market which they would otherwise have.

Discussing this matter in the House of Commons last January, I quoted from a book by a French author, Marcel Braibant. The title of the book is "La Tragédie Paysanne." In commenting on the fact that in France from 1892 to 1929, the number of small farms of less than twenty-five acres had decreased by thirty per cent, he said:

The main cause is the condition of modern agriculture. Most peasants have been forced to leave by the economic regime of big capitalism. During the second empire the manufacturers obtained commercial treaties by which the production of imported products of the French soil was either totally or partially prohibited.

This illustration also explains the ruinous plight of the farmer in Britain, Germany, Italy, as well as smaller European countries. Yet the policies now being pursued by the governments of these countries are completely failing either to recognize the causes which I have outlined or to do anything about them.

The hon. member for Huron North (Mr. Deachman) a supporter of this government, writing in the *Toronto Star* of December 31, 1938, stated that Canadian farmers were in the worst position in which they had ever been in the history of Canadian agriculture, while the *Monetary Times* of December 10, 1938, reported that dividends paid by Canadian companies in 1938 were the highest in history, and a large part of the record profits went into the manufacture of gold and munitions, the first useless and the second useful only to destroy life. In the United States thirty-six thousand families, or one-tenth of one per cent of the population, receive average incomes of \$300,000 a year, while twenty-one million people are on relief. In England the profits in thirty iron and steel companies manufacturing munitions with big armament contracts, were 239 per cent more in 1937 than in 1934. A press dispatch from London to the *Calgary Herald* dated March 25, 1939, by A. C. Cummings, says that Great Britain now has 539 millionaires compared with 333 in 1934, an increase of

206 millionaires in five years, while five per cent of the population own seventy-five per cent of all property and one per cent own fifty-five per cent of it. While this is going on, thirteen and a half million persons, or thirty per cent of the population, are gravely undernourished, according to Sir John Orr in his report on food, health and income.

Press dispatches of January 17, 1939, report that six thousand British farmers decided to march to the House of Commons on February 1 for a demonstration to make known their desperate plight. The French luxury manufacturers are making great fortunes while, as I have shown, thirty per cent of the smaller French farmers have lost their homes in recent years. Why is it that more and more of the wealth and large incomes are being concentrated in fewer hands, while at the same time poverty and misery grow steadily worse? The answer is in the way in which the present system operates. So much money is paid to so few people, and so little money is paid to so many people, that the many poor cannot buy the goods and services which they need. The few rich do not need the goods and services which they can buy. The rich will not buy these, to them, useless goods and services; the poor cannot buy them, so no one buys them and they can no longer be profitably produced.

Mr. LAPOINTE (Quebec East): What has that to do with external affairs?

Mr. ROWE (Athabaska): It has this to do with it. In my opinion war is caused by the conditions that I am describing. This leaves the majority of the people without the necessities of life and a few with huge incomes and enormous bank accounts. The rich cannot invest these surpluses in new factories because, if the output of the present factories cannot be sold, how could the output of new factories be sold? How, then, can these funds be invested? The only remaining sources of investment are gold mines, which do not contribute to the pool of useful, consumable wealth, luxuries, or government bonds issued to finance war materials. Thus we see how accumulated and otherwise uninvestable surpluses fit naturally into the war business. Does this account for the enthusiastic patriotism of some wealthy citizens who have suddenly discovered that democracy needs defending with armaments which they are prepared to finance provided they can get the taxpayers to support them?

But there is another approach which leads us to the same conclusion. I have quoted Sir Archibald Sinclair's opinion on the effect of the Ottawa agreements. I quoted him on