

a silent acquiescence on the part of a large percentage of the population in starvation.

The problem as I see it is this: The purpose of industry is the point which must first receive our attention, and the purpose of industry is—or I hope it is, and if it is not we must make it so—to produce the goods which are required for the life of the people. Of course it is true that some people think they work for money, just as some people think the nation works for an increase in its gold reserve, but as a matter of plain, honest, common sense fact, people do not work for money. They work for goods, and they do not make money; no man ever makes money except the banker. Our work is for the goods necessary to life, and that is the industrial aim of a nation as well as an individual. Nationally speaking, the purpose of industry is to make the producing machinery of the country work for the people of the country in order to satisfy their needs. This must include all export trade as well.

I might make a closer analysis and show that there are two kinds of goods which we produce, goods which might be called ultimate goods and those which might be called development or capital goods. However, I am going to shorten my remarks as much as possible in order to make my contribution to the speed of the session, and I will emphasize only the ultimate goods. The aim of industry is to produce ultimate goods, and next I have to inquire whether or not the people of Canada to-day have all the ultimate goods they can consume. If they do not have those goods, what is the reason? Is it because we have not the material out of which to manufacture these goods? Is it because we have not the plant equipment necessary? Is it because we have not the men and women ready to work in order to manufacture them? If it is not due to any of those reasons, what is the reason? Naturally, no one under a profit system will produce goods that cannot be sold. I think I may speak for all the manufacturers in Canada in this respect when I say they are very anxious to sell more goods and that they have much more goods standing on their shelves to-day than they can sell. They are very anxious to remove those goods, and if they can remove them they will employ more men to-morrow to make more goods to take the place of those sold. So I think we may be sure that what the manufacturers of Canada desire is a greater market, whether it be in Canada or elsewhere, for the goods they can produce.

Then we have to ask ourselves next whether the people of Canada have satisfied to the utmost their capacity to consume, and if you ask that question it is not so very difficult to answer it. I can take you over the three prairie provinces and show you hundreds and thousands of farm houses that should be rebuilt; I can show you hundreds of schools that ought to be rebuilt and made decent and serviceable for the coming generations; I can show you many highways and roads that ought to be repaired. Let us suppose for a moment that every farmer in the three western provinces had an up to date, well furnished, modern house; that he had three suits of clothes, two suits of underwear and four pairs of boots. That would give Canada all she could do for the next two years. The trouble is, however, that these people cannot buy these goods. They cannot afford to build new houses and schools, and so the lumber stays in the mill yard and the trees grow in the forest. They cannot buy furniture, and so the furniture is not manufactured and the wheels of industry stop. They cannot buy more clothing and so the textile industries are held up. Surely anyone will agree with me to this extent, that if the people have the money they can get the goods. If goods are produced to satisfy the real demand, people must be employed in their production. Unemployment is therefore a question of finance.

So if we examine the industrial problem of Canada we must come to the conclusion that we have natural resources sufficient to manufacture much more goods than we are now manufacturing; that under certain conditions the people of Canada can consume a great deal more than they are now consuming; that we have the plant equipment, the natural resources, the man power and the intelligence to produce probably all that we can consume, but the thing that stands between us and that consumption is the purchasing power. Perhaps someone will again suggest, "Do you mean to say that the treasury of the state should start a mill and turn out sufficient money to buy all these goods you have mentioned?" Certainly I do not mean that, but let us examine the weak factor in the industrial problem I have just outlined. I think everyone will agree that the weak point is in the financing, and how does that come about? As I have indicated, there is a real demand for goods, which is limited by the effective demand for goods. That effective demand is measured by the purchasing power in the pockets of the public. Where does