

of this dominion. There is no need to change the British North America Act; there was no need to change it for the introduction of unemployment insurance. Why did Alberta stand out against the change need for unemployment insurance? Because Alberta suspected a power which has done everything possible to crush the strength of the province of Alberta in its heroic struggle against the old system, a struggle for the assertion of the new. Alberta has cooperated; in this house minister after minister has risen in his place and testified to that fact. There is no province in this dominion more ready to cooperate in the attainment of any good end; but somewhere, someone in this dominion must stand up for the new order, someone who understands what the new order is and how it is to be brought about, someone who is willing to sacrifice. Apparently Alberta is the province that has been called upon to do so, and the officials of the province of Alberta intend to be true to their trust.

Where are the sources of revenue? They are all available to Ottawa, while none of the real major sources are available to the provinces. And the object of the Sirois report, which I have condemned as iniquitous and pernicious in every respect, was to take away from the provinces still more of the variable sources of income such as the corporation tax, the income tax, the succession duty and so on, in order to render the province unable to increase its revenues no matter how much it developed its industry and its wealth. The sources of revenue are, as I say, with the dominion; if they are exercised by the dominion it will find no difficulty with the provinces. But the major source of income available to the dominion, which has been used only on rare occasions and then fitfully and fearfully, is the power over currency, the power to monetize the wealth of the nation; to take four billion dollars worth of goods, for example, and represent them by media of exchange which can be used as media of distributing those goods. Such media of exchange can be distributed equitably among the provinces of this dominion, greatly to improve the standard of living everywhere in this country. If the Prime Minister wants a means of gaining unity in Canada, there is a means right at hand.

Now I am going to say a word about the Beveridge report. The members of this group are not opposed to increased social security. If we could find nothing better than the Beveridge report of course we should accept that report; but we maintain that to accept the Beveridge report is like accepting crumbs when you are entitled to a square meal. The

[Mr. Blackmore.]

Prime Minister made a fine statement when he said that society, having created a condition which permits of that sort of thing—referring to the irregularities, the national hazards and so on—society has to find some way of remedying it. That is true, but he must be careful to see that the remedy will improve conditions and not make them worse. All the policies which are being advocated to-day in the dominion by those in authority are going to make the situation worse. The remedy must be real.

Obviously the solution of the difficulty is in some sort of mechanism of distribution, which I discussed about a month ago. Every thoughtful person who knows anything at all about it will agree that the problem confronting us is that of distribution. Well, let us find a system of distribution. The medium of distribution is money, so of course it becomes perfectly clear that the secret of the trouble lies somewhere in connection with money. We have already discussed the fact that Canada is producing eight billion dollars worth of goods to-day. Canada could have produced eight billion dollars worth of goods in 1930 if we had set ourselves with right good will to the attainment of that objective. Certainly Canada could have produced those goods in 1935 had she been organized for the task. Yet what was done? Well, let us forget the doleful, dismal, pathetic story. Canada had the capacity. Canada could have produced the goods. The only difficulty was that Canada did not know how to find markets for the goods; in other words Canada did not know how to distribute them. The Prime Minister has sat in the seats of the mighty in this country since 1935, yet he has done nothing toward finding a solution of the problem of distribution.

The answer which no doubt will come into his mind is this, that he has sought foreign markets. I will grant that, but foreign markets just have not been successful in meeting the difficulty. Foreign markets have not been able adequately to distribute. Let no one assume that I am opposed to foreign trade or foreign markets at all. Markets have their place; foreign trade has its place, but foreign trade has signally failed as a mechanism of distribution in this country. We were using foreign trade all through the terrible thirties. Where did it get us? The answer will be, "Well, we were tied up with a lot of other nations." I will have more to say about that.

With respect to foreign trade; let us examine for a short time the mechanism of foreign trade. Foreign trade cannot adequately distribute. Here is the reason: Any nation,