

goods. We had so-called overproduction, though actually it was underconsumption, which I think indicates beyond the shadow of a doubt that private industry produces goods in superabundance. I grant that industry wants to sell at a profit, but who does not? Do my hon. friends in their businesses refuse to sell at a profit? Do they sell at cost? I say the profit motive is sound and legitimate. The profit system is not only a profit system; it is a profit and loss system. That is one aspect my hon. friends of the C.C.F. do not emphasize very often. Perhaps they have never invested money in an oil well, or anything like that. Profit is a reward for enterprise and risk, and I say those who are prepared to exercise enterprise and take a risk are entitled to a profit. As far as motives are concerned, I say we are all actuated by the profit motive, including my friends of the C.C.F. Each one of us is actuated by a profit motive; and I think it is unwarranted presumption on their part to assume this "holier than thou" attitude that only those who are not C.C.F'ers are actuated by a profit motive.

The only disability with respect to profit as such is the fact that it constitutes a mathematical impossibility. A profit is merely an addition to the price without a corresponding amount of money going into circulation. In other words, if a profit is not monetized it does not exist as money, and the only way it is monetized to-day is through debt money. So we have debts created corresponding to the amount of profit charged into the goods we must purchase, and I say that is the only disability in connection with profits. They are not monetized properly. True, they are monetized through debt money, but that need not be. If all the profits charged into goods, regardless of what they are, were monetized completely, then the consumers could purchase them completely.

Then I said private enterprise was being held guilty, because it does not distribute the goods. I repeat that it should not be held responsible for the distribution of goods. True, to the extent that labour is involved and wages paid out, distribution is brought about, but complete distribution cannot be brought about through incomes paid out of industry. Those in the Social Credit group have brought forward that premise on many occasions; and on that premise the proposals of Major Douglas rest. I repeat: No individual industry or industry collectively distributes as much in purchasing power as it produces in the prices of the goods. That is not because there are excess profits. It would not make any difference whether the profit was a small percentage or a large percentage. The fact remains, and

it can be proved by examining the books of any institution, whether it be a peanut business on a street corner or a million-dollar corporation, that every business institution generates more in prices than it does in income. Consequently it is not possible for the people to buy all the products of industry as a consequence of the incomes they derive out of industry. Raising wages will not help; it simply adds to the prices by raising costs. Another solution must be found.

Another point which our C.C.F. friends make in charging private enterprise is that it refuses to plan. I cannot conceive of any more need of planning than to go ahead and produce. That is all the planning required so far as my intelligence leads me to conclude. I have already said that there is plenty of evidence that Canadian and United States industry is equal or superior to any system of production in the world.

I assert that a planned production such as socialists advocate is a totalitarian concept. Our system does not bog down because it is not planned by government bureaucrats. Our C.C.F. friends have made the statement frequently that the war effort was what it was because it was planned. I take issue with that. There was a certain amount of planning, but I say the success of our war effort was due, in a far greater measure, to the fact that there was a guaranteed market for everything produced. There was no difficulty in selling anything that was produced, because there was plenty of money afloat; in fact there was too much. I say it is not necessary to be concerned about planning production. What we must do is to concern ourselves about consumption. If consumption is taken care of, production will take care of itself.

It is unnecessary to abolish the private enterprise system merely because of the abuses to which it is exposed and its inherent deficiencies. In my opinion the best means of dealing with monopolies is to remove the incentive for creating monopolies, which is the lack of purchasing power on the part of the general public. There is not enough money to go around. Therefore there is a mad scramble to get every dollar before the next man gets it and hence an incentive to buy up your competitor because of limited purchasing power. If there were purchasing power in circulation equivalent to the price value of goods, consumers would be able to buy everything that was produced, no matter at what price. Therefore everyone could stay in business.

Our Conservative friends have been advocating the removal of controls. They have been quite insistent about that and I have a