

Mr. WHITE (Mount Royal): I was not in the house when the Prime Minister quoted the article, but if my name appears at the head of it, that would indicate that I wrote it.

Mr. MACKENZIE KING: Well, I would say that from the views there expressed my hon. friend would make a much better leader of his party than the present leader of the opposition. After all, the party opposite has, for some time past, stressed mostly "whispers of death" and "dire calamity" and "blue ruin" almost ad nauseam and I am inclined to believe the people are desirous of having in positions of leadership men who have the perspective of optimism and vision broad enough to see conditions as they are, particularly when conditions are of a kind that obviously reflects credit upon the country in which its citizens live.

Mr. BENNETT: I cannot let that observation pass unchallenged. At no time have I made any statement lacking confidence in this country, nor have I preached "blue ruin". I mention that fact merely because the right hon. gentleman has a habit of endeavouring to attach statements to those to whom they do not attach.

Mr. MACKENZIE KING: My hon. friend has said in the presence of all who are in the house this evening that he has not before seen such privation in Canada in a quarter of a century. He must be judged by his own words. May I quote from another authority who, I imagine, will carry weight with hon. gentlemen opposite? Sir Thomas White was former Minister of Finance in a Conservative administration and he has given to the country a statement of conditions as he views them. This statement was made by Sir Thomas White as vice-president of the Canadian Bank of Commerce, speaking, in the absence of Sir John Aird, at the annual meeting of the shareholders:

Under the stimulus of three years' general prosperity, of an extensive development and building program and of an unprecedented quantity of farm products for export, new records were established in industry and trade during the winter and spring. It is not too much to say that business activity in the first half year exceeded even the most optimistic forecasts.

While there has been some irregularity in manufacturing, the general condition is one of the most impressive in Canadian production. Certain industries, notably the manufacture of woollen cloth, leather footwear and automobiles, have been depressed by excessive competition, domestic as well as foreign. Canada stands seventh in world manufacture, with an estimated value of industrial production in 1929 of nearly \$4,000,000,000, an increase of about 5 per cent since the close of 1928. The statistics

[Mr. Mackenzie King.]

of value added by manufacture, per worker, show that the industrial efficiency of Canada is close to the level established in the United States, which is regarded as the highest in the world. The remarkable expansion of Canadian industry has not been confined to the east, and the enterprise of the west is now felt industrially as well as agriculturally. During the last decade about 600 new industrial plants have been established in the four western provinces. Capital investment has increased to more than \$600,000,000.

Then Sir Herbert Holt, who is another member of the party of my hon. friends opposite, speaking as president of the Royal Bank of Canada to the shareholders of his bank, has made the following statement:

The strength of the business structure is such that there is no reason to look forward to more than a moderate recession in business in 1930. . . . Employment and wages are being maintained at a relatively high level, the improvement in industrial efficiency has continued and the financial position of industry is made excellent, both because of large liquid reserves and satisfactory profits during last year. Such conditions warrant optimism.

He said that:

—in both Canada and the United States, the business structure is sound; in both countries, high production records were attained in 1929 and corporation earnings have been exceptionally satisfactory.

I shall refer simply to one other authority, confining my remarks to the names of those who are well known to be associated with hon. gentlemen opposite. Mr. W. G. Gooderham, President of the Bank of Toronto, has this to say to the shareholders:

Since the postwar deflation was completed and particularly during the past five years, the business curve has been almost steadily upward. New peaks in both volume and profits have been achieved year after year. . . . The prosperity of Canada has kept public revenues from taxation and other sources high, even although certain taxes have been reduced. . . . While conditions on the whole are somewhat mixed we have entire confidence in the future, even the near future.

May I give yet one other authority? I refer to an institution that, as I have said before, speaking elsewhere, is conservative in the best sense of the word, namely, the Bank of Montreal. May I quote to my hon. friend what was said by the president, Sir Charles Gordon in his address to the shareholders of the Bank of Montreal at the meeting held in December? I will give just two paragraphs, one relating to the past and the other to the present and future. I have in my hand a copy of the address. Sir Charles Gordon said;

In reviewing the commercial situation in Canada, it should be kept in mind that there have been five years of almost uninterrupted expansion. In that brief period Canada has achieved a degree of development quite un-