

for unsatisfactory conditions when a more exhaustive analysis would be either difficult or distasteful. True, the war is a factor in the present unbalance of international trade, but I wish to submit that it is by no means the only factor, and that there are causes which lie much closer to home and for which we are more responsible than we are for the ravages of war.

Britain's stagnation of trade and our own associated stagnation is a world disaster. It is not local. Although it may have been accentuated by local causes, the disaster itself is world-wide. It is peculiarly a disaster to Canada because, in the three-cornered trading system of the past, Canadians have paid the net debit for the many commodities purchased by us in the United States by our sales in the British market, and the United Kingdom squared her account with us—and incidentally ours with the United States—by the excess of her exports over imports in her dealings with the United States. If, therefore, because of some cock-eyed policies in the United Kingdom, in the United States or in Canada, the United Kingdom must reduce her purchases of Canadian goods, and in consequence we must reduce our purchases of American goods, our standard of living will be adversely affected.

The prospect is not pleasant, for if the present business log-jam is not broken we in Canada may find ourselves in the position of reducing rents because of the tenants' inability to pay; we may be squeezing the water out of business by bankruptcy or otherwise. In other words, we may not be able to carry the overhead brought about by the boom of recent years, and we may find ourselves in the throes of a depression. We in this chamber and Canadians generally have a real interest in the welfare of the British people. We observe with regret the great danger which now faces them, forcing reductions in their supplies of food and of raw materials for the carrying on of their business and industrial life. Thus Britain's problem is our problem, and the causes should be discussed without inhibition by Canadian parliamentarians—as it was last evening by the honourable senator from Inkerman (Hon. Mr. Hugessen—with complete frankness and without fear of treading on other people's toes.

At the risk of over-simplification, the problem may be stated in a single sentence: Because of the unbalance, which was referred to in the Speech from the Throne, Britain's gold and dollar reserves have been running out in recent months at the rate of \$400 million quarterly. Bearing that in mind, are not we in this chamber justified in making many speeches on this subject? I hope that

others will follow me—as I am following the member from Inkerman—in an inquiry as to what is the trouble, how it has been brought about, and what is the remedy. It is to that problem that I am now addressing myself.

Some newspapers would like to blame the trouble on the labour unions, and they report the efforts of labour to maintain the living standards of its members with an air of grave disapproval. We are left to infer that the British workman is at fault, though he is partially excused, in a patronizing way, on the ground that he is tired. Only this morning I read a newspaper statement to effect that labour is at fault. Well, a year ago when I toured Scotland, Ireland and England with the Commonwealth Parliamentary party, and visited the factories en route, I saw no evidences of sloth on the part of the United Kingdom worker. The fact is that men in industry over there are working an average of 46 hours a week, exclusive of meal and rest periods, and they are practically all working; there is very little unemployment. To blame the present troubles on the working people of the nation is both unkind and untrue.

Another mistake which is made is to attribute the trade difficulties to a supposed slowdown in Britain's production system caused by obsolete plant facilities and inefficient management. There is, of course, some obsolescence; no one could go through those plants without seeing some evidence of it; but if some informed and observant English visitors were to go through some of our Canadian plants, or those of our great neighbour to the south, I venture to say that they too might find evidence of obsolescence. Of course, management is human; but efficiency is largely a matter of degree, and the proof of it is always a matter of opinion.

The fact is however—and of this there cannot be any dispute; it is so thoroughly established—that the output of British industry and agriculture is from 20 to 30 per cent above pre-war level.

I suppose that if workmen could toil longer and harder on lower wages, and stop eating, and if plants could multiply their output without increasing expenses, Great Britain could carry her present burdens and the adverse balance besides. But, honourable senators, this is absurd; and to attribute Britain's position since the war to lazy men, or to inefficient stupid management, is slanderous and very unkind.

The United Kingdom Information Office at Ottawa, which is here for the purpose of supplying us with authentic knowledge from across the sea, tells me that Britain's imports by volume are 20 per cent less and her exports