

continue for too great a number of years to offer a return to capital and labour largely in excess of that which capital and labour can obtain in the country, they end by attracting into themselves so much capital and so much labour that the result can no longer be supported by the countryside in its depleted condition.

Now, that state of affairs has arisen through the operations of the so-called industrial revolution for the last hundred years. It has reached its climax now; we are in it. As I see it, it will infallibly remedy itself, the balance will be restored. If I read history aright, when similar conditions have arisen the balance has been restored in one of two ways: either there has been a sharp shrinkage in the population, wealth and activities of the cities until they were small enough, poor enough and cheap enough, so that the countryside could carry them; or there has been an expansion and an increase of the profitability and activity in the country until the foundation under those cities extended itself to such a dimension that it could carry the cities which were too big for it before; or more likely a little of both.

May I point out to you gentlemen that at the end of the Napoleonic wars the English manufacturing cities found themselves in just exactly the sort of jam that we are in to-day—thousands of unemployed, closed factories, budgets that could not be balanced, bread lines, complaints from the country, surpluses of wheat and of everything else. That condition remedied itself and changed into a marvellous era of prosperity, much of which Senator Burns can remember. It remedied itself without any collapse of the English cities because there opened up just at that crucial moment the vacant land of North America, which was developed on an unparalleled scale and with great rapidity.

May I point out further that that development promptly increased the very production of food stuffs which every economist of that era thought was already too great—an increase so manifold that it was not valued at all until the cities again got themselves anew into a jam similar to that which I have just outlined.

Now then, if you gentlemen can see any similar opportunity for expansion of rural life to carry the present cities of the Western world, why, I should be delighted. There are opportunities, but I do not think they in any sense parallel the settlement of Kansas and Saskatchewan. In other words, the adjustment, if it is to be an upward adjustment on the part of rural life, is going to be very much more difficult than it was then. If they had been confronted by tariffs or otherwise to England, the small area of rural life there could never have extended sufficiently to carry those young and growing manufacturing cities, and they would have had a collapse then. They did not collapse because their markets extended to the shores of the Pacific Ocean and did not stop within the shires of England.

I think we can do something towards intensifying and reviving rural life in the Western world, and so save the major part of the urban development which we have; but I am inclined to say, in answer to a thought which was implicit in one of your former remarks, that we probably cannot save it all, and that in the next ten years there is likely to be a considerable shrinkage of wealth and population in a number of the larger cities of the Western world before the balance can be restored. That is the only way the unemployed will ever be put to work.

Many or all of you gentlemen will not agree with my analysis of the situation, but I just wanted to put it on record.

Hon. Mr. HORNER: Mr. Chairman, I entirely agree with Mr. Robinson, and I should like to see his remarks given full publicity, especially in our Western newspapers.

THE WITNESS: With your permission, sir, I should like to read into the record a paragraph from old Adam Smith's *Wealth of Nations*, a book written