

maximum war effort they will divert their energies to a maximum peace effort. Then, if all financial restrictions are removed as they are supposed to be to-day, we can go ahead with a programme under which a proper balance will be maintained as between the production of capital and consumer goods, so that the effective demand against goods will always be equal to the supply. If industry is assured of that situation, I am satisfied that we shall not need to worry about whether or not people will be able to get jobs. I should say that under a policy of that kind the only thing we would be short of in this country would be labour. There would be no question of looking for jobs in order to maintain a policy of that sort; we would be short of men in order to expand it to a greater degree, thereby giving the people a maximum standard of living.

Our policy in regard to foreign trade would be to exchange our goods for the goods of other nations. Until we get away from that idea of maintaining a favourable balance of trade, we shall always have trouble. To-day we must accept our share of the responsibility for this war, because any time nations refuse to accept goods in payment for goods they are stirring up international friction which leads to war. That was one of the principal causes of this war. It is all very well to say that Hitler started it; but if it had not been Hitler, it would have been someone else; he just happened to be there. Remember what President Wilson said of the last war, that it had been caused by keen industrial rivalry. As long as you have nations in cut-throat competition for markets, refusing to accept goods in return for goods, you are causing international friction. At the end of this war not only have we to try to maintain a high standard of living in Canada, but we have to try to maintain a policy which will bring international peace and goodwill. And you will never do that as long as you insist upon maintaining a favourable balance of payments at the expense of other nations.

It will be remembered that Mr. Leigh, secretary of the London Chamber of Commerce, in England, has been emphatic upon that point. He has said that nations must be prepared to accept goods in payment for exports. He has pointed out that you have to get away from the gold standard. He went further and said that a nation which exported a million dollars worth of goods to another nation should never get payment until it accepted a million dollars worth of goods in return. And if it refuses to accept the goods in return, then that debt should be cancelled over a period of years. If we had a policy of that kind, there would be

far less international friction in the world to-day and in the future than there has been in the past.

To come back to the bill; the hon. member for Parry Sound (Mr. Slaght) has referred to the fact that the legion has endorsed the proposal. I do not believe the legion endorsed this bill, although it is true that in the past the legion did state that it was in favour of some measure whereby industry would be compelled to take back their former employees who have enlisted in the armed forces. On the other hand I should like to tell the Minister of Labour (Mr. Mitchell) that last year this question was raised in the special committee of the house on pensions, and it was the general opinion of the members who sat on that committee that, whilst desirable, the suggestion was impracticable, and a recommendation was not made. The matter was discussed at great length, but we did not make any recommendation. We could not see our way clear, although we liked the idea, with respect to any recommendation to compel industry to take back even former employees at the end of the war. Many objections were raised. Whilst such a course was very desirable, as the leader of the opposition has said, I believe it is impracticable, and it is doubtful whether a case could be made in law to support it.

It is my opinion that the whole question will have to be dealt with in a much broader way. Instead of trying to see how we are going to put the men back to work, let us devote all our energy toward finding out how we are going to maintain the production and services of this country at their maximum level, and then find the ways and means by which that production and those services can be made available to the people. If we do that, we shall not need to worry about unemployment; unemployment will disappear. That, I claim, is the only sound solution of the problem.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Vien in the chair.

On section 1—Short title.

Mr. HANSON (York-Sunbury): Mr. Chairman, this bill is one of some importance, and I am surprised that the minister in charge has sat practically silent throughout the whole debate on the second reading. I assume that he will now give the committee his ideas with respect to the bill, what purposes it will achieve, how far he thinks it goes, and what more is to be done to take care of the problems outlined.