

that system with something new. "Poverty in the midst of plenty" is an effective cry. What can we do to remove the causes of these wrongs? What changes can we make in the operation of our present system so as to get rid of the menace of unemployment, with its accompanying distress and disturbance? Merely to ridicule or dispute the solutions that are set forth by other schools of thought is not an answer. If we are satisfied that nothing but capitalism is feasible, then we should devote ourselves to making capitalism operate so that there will be less reason for crying out "Poverty in the midst of plenty."

I can understand the attitude taken by the people in my own province since we last met in this Chamber. I do not attribute it wholly to the attractiveness of the theory that was advanced. It was a vote of protest, and it came from a people who had been sorely troubled for the past few years and could easily be led to believe that the present system was ineffective to remedy conditions. Exposures that had been made in the realm of what is commonly known as "Big Business" contributed to it, indeed created the fertile seed-bed upon which the new movement thrives. It is a favourite charge directed to those who do not accept these new theories, that they are the tools of capitalists, that the bankers have a grip upon them and that they are afraid to speak their own minds. If we are to counter these movements, which we think incapable of achieving the ends people have been led to believe are possible, then we must take the kinks out of our present system and make it work in such a way that the plenty we have will be so distributed as to banish the poverty that stares us in the face wherever we go.

Now, having expressed that opinion in regard to what is in the minds of the people in all parts of the Dominion, and in some provinces more than in others, let me ask what is the remedy. Can we so reform capitalism as to provide the remedy for present depressed conditions? I feel that we can. Of course, the views I advance may be disputed by those who are of another school of thought, but during the past year I have seen evidences of an improvement in conditions which I believe is due largely to the slow but sure opening up of avenues of trade with the outside world—with Great Britain and the sister Dominions of the Empire, and in the last few months with the United States. I feel it must be the business of governments in these times to find markets for our surplus products; for, in my opinion, it is only by the restoration of purchasing power that capitalism can

Hon. Mr. BUCHANAN.

be brought to stand on its own feet and defend itself against the attacks that are being made upon it. The lack that has been felt in this country, and particularly in the Prairie Provinces, during the past five years has been an almost complete absence of purchasing power. Purchasing power of the farmers of Western Canada, and, I presume, of the farmers throughout the whole Dominion, went down to a level that had been unknown in recent times. In fact the price of wheat fell to the lowest point in many years.

I sometimes think there is not a proper appreciation of what brought about the financial condition of governments and of individuals in Western Canada. It has been attributed to wasteful expenditures on the part of governments and of individuals. But private extravagance was not general. What happened? When purchasing power decreased to the extent it did, Western farmers were without the means of meeting their obligations in interest and taxes, and consequently the West reached such a position that it was more or less blacklisted by the world of finance.

Let me quote an instance, typical, presumably, of the general condition that existed during 1933. I live in the southern part of Alberta. In those days many persons in Eastern Canada, reading market quotations of wheat at 50 cents a bushel, would conclude that the farmer in my district was getting 50 cents a bushel for his crop. Not at all. He was getting 50 cents a bushel less the freight rate between southern Alberta and Fort William, which in some cases brought his price down below 30 cents a bushel. But that was not his net return. He also had to pay for putting in his crop and taking it off, and the cost left him with a mere pittance to carry on and to maintain his family. A man with a 220-acre farm giving an average yield of 30 bushels to the acre, which would be a very good crop, would probably get a return for all his work of about \$1,200, with which to maintain himself and his family, feed his live stock, and provide means for putting in his crop the next season.

That was the condition throughout the West a few years ago. The situation of the cities in Western Canada can be attributed, of course, to conditions brought about by what happened to agriculture. But, more than that, the unemployment in most of the cities in Western Canada began with the stoppage of public works construction in the cities themselves, and branch line construction and other building operations throughout the Western Provinces. The men thrown out of