

can be devised by man, whether or not it puts people out of jobs; but we should see to it that everything produced by the machinery is distributed among the people. If this is done, if we take maximum advantage of technological advancement, it will mean that the necessary hours of work can be reduced to a very small amount, perhaps even to the extent of four hours a day for four days a week, as has been already suggested. This means that all the people would have leisure—paid leisure. Leisure is not a loafer's paradise. It is an opportunity for man to satisfy his creative instinct, an opportunity for him to satisfy his musical inclinations, his artistic inclinations, and many of the things which people call hobbies.

That is the attitude we ought to take with respect to this question of work. I assert that we are not fighting for a work state. A work state is simply a slave state. We are fighting for the opportunity to satisfy our creative endeavours. We are fighting for a set of circumstances under which man can engage in and satisfy his creative instincts to the maximum.

Therefore the first fundamental we must establish, if we are going to make progress in the establishment of a new order, is to insist that the purpose of an economic system is to provide abundance, and not jobs. A second fundamental which I suggest must be recognized and established is that there must be a definite relationship between the money issued, which is created and put into circulation in the nation, and the goods produced. I consider that one of the greatest false assumptions—and it is an assumption of Liberals, Conservatives and the Cooperative Commonwealth Federation as well—

Mr. GRAYDON: Progressive Conservatives.

Mr. KUHL: Yes; I beg the hon. member's pardon. I consider one of the greatest false assumptions in economic thinking is the assumption that automatically there is always a definite relationship between the money put into circulation and the goods produced. That is not so. There are direct statements, and statements which imply that national income and national production are one and the same thing. That is not true, and anything based upon that assumption cannot stand. It is false to assume that automatically there is always in circulation an amount of money which equals the prices of the goods the people are expected to buy. There are many who assume that if a farmer produces a thousand bushels of wheat and it is priced at fifty cents a bushel, automatically the con-

[Mr. Kuhl.]

sumers have \$500 with which to buy that thousand bushels of wheat. It is assumed, too, that when a manufacturer manufactures shoes to the value of a thousand dollars, automatically the consumers have a thousand dollars with which to buy a thousand dollars worth of shoes. That is a false assumption, and anything based upon it is unsound. One can discover that by going into the books of any business. It can be discovered in the "Canada Year Book".

The sum total of the situation that existed in Canada before the outbreak of war was that we had a production of goods or goods priced to the extent of six billions of dollars, whereas the money paid out in the course of production was only around four billions. It is apparent that four billions of dollars in money or purchasing power, which represents all the money and all the income that all the people rich and poor alike have, cannot buy six billions of dollars worth of goods. Therefore any scheme or any proposal based upon the redistribution of the national income cannot do the job.

I contend that we shall not be on a sound basis until the amount of money put into circulation in this country is equivalent to or governed by the desirability and the capability of the people to produce goods. That was not the case in pre-war days, and if the policies still intact to-day are continued in post-war days, it will not be so then. The reverse is the situation to-day. I am referring of course to a time of peace. In peace time it is always the amount of money put into circulation which determines the amount of goods we shall have. The reverse should be the case. The amount of goods we have or the amount of production we have should determine the amount of money in circulation.

I say, therefore, that the key to the whole solution, to the solution to all the problems, lies in the restoration to parliament of its high prerogative, namely, that of creating and issuing the money of the nation. When the government has control of that prerogative, it is master of the situation. Does anyone think the old banker Rothschild was joking when he said, "Permit me to create and issue the money of a nation, and I care not who makes its laws." Was he simply joking when he said that? Of course he was not. If parliament is in possession of its most sacred prerogative, then the government is in absolute control—and not until then.

I say, therefore, that one of the major changes which ought to be brought about is the restoration to parliament of its highest prerogative, that of creating and issuing the