

LABOR MEMBERS NOTABLE SPEECHES

(Continued from Page 1.) The 117 members on the right of the speaker had generously assumed all the duties of government, while the 117 on the left, got off "scot free." The opposition could only "play with the cage." The system tended to drive the labor representatives in to the camp of the government or of the opposition. Labor was in parliament to co-operate, but this co-operation must be on a reasonable basis.

System is Abhorrent. Mr. Irvine disagreed with the present system of having a government party and an opposition. As it worked at present, the opposition sought to belittle the government by casting slurs and insinuations against its work and in that way undoubtedly discredited in the eyes of the people the whole system of government.

During this debate the leader of the opposition had been taunted with being a bad loser. It had appeared, however, that on the government side there was a tendency to become rather too boastful over a small victory. Mr. Irvine said that there were two hundred thousand new houses needed in Canada if the population was to be properly housed. There were two hundred thousand men walking the streets without employment. Canada was blessed with great natural resources which would furnish the raw material for building houses.

Functions of Money. Money has at least two functions, although those of us who are expert financiers may find other functions for it, said Mr. Irvine. "It is a medium of exchange and it has also a power to represent demand. This second power seems to be the greater or more important of the two, and though there should be a definite relation between money and ability of production first to produce the goods required for demand, we find that the present system of credit does not fulfill this function properly and we have criticisms levelled against it, not only because of its rate of interest, not only because of its manner of being used, but because of the manner in which it is controlled.

According to the figures of the Dominion statistics which are produced twice as much as we are permitted to consume or what we should be allowed to consume. The demand is still great, but with the wages paid to us we cannot buy back enough of what we need to consume what we have produced. The present system of credit is not according to some people the best thing for industry. The home market is of course determined by the amount of goods that the wages that are paid to the people at home can buy. If we can buy only 50 per cent. of what we produce, our market is limited to 50 per cent. Consequently, we find our government looking out for foreign markets, and this was stated in the speech from the throne. Where are we going to find them? Foreign markets do not drift along like drift wood and are not picked up on the seaboard.

Foreign markets can be created only when we are able to increase the purchasing power of the people who live where those foreign markets are; because it is only by increasing the purchasing power of the people that you can give them more goods to consume. How does the government propose to increase the purchasing power of the people of South Africa or those of Europe, of China or of South America? I think it is more reasonable for us to hope that we might increase the purchasing power of the people of Canada. If we could do that so as to enable them to buy twice as much as they are now buying

we should have a very extensive home market. The leader of the opposition was right, during the recent campaign, when he emphasized the necessity for developing home markets. Of course, I part company with him immediately when he says that we are to develop the home market by increasing the tariff. He will develop the home market by increasing the tariff and, on the other hand, straggle enough, the government will develop the same market by the opposite method of decreasing the tariff. Well, we can leave the two parties to fight that question out between themselves. Personally I do not think it will make any difference to our markets whether we increase or decrease the tariff, because that is not really a fundamental economic question at all.

It is, on the contrary, a most excellent political football which has been kicked across the field of public opinion for forty years, but which has never done anything to increase home markets, neither the government that advocated an increase of the tariff or the government that argued its decrease having advanced the markets in this country very materially. So that we may be justified in looking in other directions for some means of finding a market for the produce of Canadian workmen.

The greatest change I have to make against the present system is as regards the issue of credit money. It is not necessary to say that the banks today have a monopoly of the issuing of financial credits, and the credit is usually issued in the interests of the shareholders and not for the benefit of the country. It is also issued with an adherence to the gold standard and not on a proper economic basis. And this volume of credit is created and issued by the banks irrespective of demand or ability to produce. Thus we in Canada today are really at the mercy of Wall Street, whether we realize it or not. We are manipulated by them, from bonds to slumps, at their convenience, and to remedy this I believe that some new system must be found or perhaps some reorganization of the old system. That is the government to consider.

I believe first of all, that there must be a regulation of prices upon an economic basis. This would mean that prices would be determined by a correct ratio between total national production and total national consumption. At present prices include cost of plant and overhead, materials, dividends, wages, etc. These expenses are charged to capital and are paid away by the consumer, because there is no one else to pay them. Prices therefore could be reduced by the amount of capital expenditure involved, which expenditure could be made to the owner by an issue of government notes. Such notes would represent the difference between the total cost incurred and the total price received. In this way prices would be reduced automatically without a loss to any private enterprise. The recognition of real credit as created by and belonging to the community must underlie any such proposition, and we therefore, of course, look upon credit in this respect as being a correct estimate of the ability to produce and deliver goods as and when and where required.

You will recognize in that statement the famous Douglas definition of credit. The Douglas system of credit is being advocated by some very great authorities in the financial world at the present time. I am not setting it forth here, of course, as the inevitable way, but I mention the others because it seems to me to be the most practicable, and I shall possibly look at the question further, before I conclude.

There are two factors employed in real credit, namely, needs to be satisfied and ability to produce, and both producers and consumers are necessary in the creation of such credit. On this basis treasury notes could be issued periodically. They would represent any money expansion or contraction of real credit, as

the case might be, and would not therefore, be followed by any inflation such as was experienced during the war.

Decentralized Control. Such a system might be arranged on the principle of decentralized control. It would not operate properly in a bureaucratic system such as would likely be developed by government ownership. Government ownership is a very difficult thing. It is yet to be tested, and I have not very much faith in it whether in regard to railroads or banks or any other institutions. It may be a very good midway between the individualistic control and any other form which might be in process of development. Government ownership might not do any more than transfer control from an efficient autocratic corporation to a less efficient or possibly bureaucratic state organization. But by a proper decentralized system of controlling credit on the basis that credit is created by the community, he belongs to the community and should be operated by the community, it might be possible for organizations such as boards of trade, the manufacturers associations, the united farmers, the organized labor movement, the Great War Veterans' Association and similar bodies to handle credit. Credit provided we could proceed to establish a system on that basis.

We should also require to have a national clearing house. In other words, a proper democratic system of credit should be organized by means of control. A system which would provide the greatest amount of local responsibility and control consistent with that measure of unity necessary to secure efficiency.

Dividends in Reduced Prices. Let me put this system before the house by means of analogy. We hear much talk today of commonwealth; we have substituted the word commonwealth for the old term empire. We are now known as a commonwealth of free nations. As a matter of fact, however, we have no commonwealths today, but if we had a commonwealth there would be, I presume, an annual dividend of surplus national wealth to be divided amongst the citizens of the commonwealth. That, of course, would be very utopian, so utopian that we can scarcely even mention it. But the Douglas system which I have referred to, which I would commend the house to study, would make it practicable to receive our dividend in the commonwealth in the form of reduced prices.

The real difference between the present credit system and the credit system that I refer to is based on the idea that real credit is created by the community through its producing power and belongs to the community—the difference, I say, is that the present credit system is not concerned with the production of goods but with the production of money. If you make credit facilities more available, there follows an immediate inflation which reduces purchasing and producing power, as happened during the war. Under the system I mention, however, this would be avoided by reason of the regulation of prices on the basis of a correct ratio between the consuming power of the people and their producing power.

The fixing of prices which we had during the war was not, of course, the type which I referred to. That was more or less mechanical, and it left too much power, dangerous power, in the hands of a small commission. It was an annoyance both to manufacturers and retailers, and did not contribute a sufficient quota of good to recompense them for all their trouble. But there would be no danger in any such system if we could find a measure of local control such as I have suggested.

With regard to our foreign markets in connection with our credit, inasmuch as we cannot create foreign markets unless we can increase the purchasing power of the people of the countries with which we wish to trade, we had better turn our attention to our own markets. If we had control of our own financial credit it would be possible for us to do something to exploit these vast natural resources of which we have heard so much on the floor of the house already this session.

We must recognize that the competition for trade among the nations of the world arises out of a false credit system which has no regard for the needs of the people or their producing power, but seeks to build up merely a money system and promote competition for world trade, which is really at the basis of every war, and is the very thing that we should try to get away from.

Inasmuch, then, as we have here not only a cause of unemployment, a cause of the disruption and paralysis of industry in our country, and the cause of international industrial strife leading to the great wars which we all deplore, I should like to suggest to the government that a representative committee be appointed representing the Manufacturers' Association, the Retail Merchants' Association, the Organized Farmers' Association, the Labor forces of this country, and similar organizations, this committee to investigate the present credit system, how it functions, its relation to modern industrialism, and if it is a contributing factor to unemployment. I would further suggest that that committee should also make the closest possible inquiry into all the systems proposed, particularly the Douglas system, proposed in support of a credit system that would be economical, serviceable to democracy, and in the best interests of our industrial life.

I believe the Banking Act comes up for revision next session. It would be a very excellent thing for the committee I am suggesting to report very fully at that time, for surely whatever is done next December in the light of the fullest and best knowledge and perhaps on this subject we, as individuals, are not so fully informed as we ought to be. I should like to see the best experts obtainable engaged to deal with the problems incident to our credit system, so that before the Bank Act is amended we may have the fullest possible information in our possession, information which will enable us to solve the problem itself and so meet the pressing needs of the Canadian people. The Douglas system has been endorsed by such a recognized authority as Arthur Kilson, who was challenged by a committee of business men in Great Britain to produce some solution for the industrial problem in that country. That system has also been included in the Sydney University course in economics. Therefore, it is a system that cannot be laughed out of court until we have had some chance of penetrating it and disclosing any weak fundamental points in regard to it, if that be possible.

reading some years ago, the prime minister has said to some extent that the problems that I have referred to, namely, the industrial problem, and in that title alone he has got the true relationship of the problem of industry, its relation to humanity. In this new government I hope there will be a decided movement towards the bringing of our industrial life into harmony with the great aim suggested in that book, and that our industrial life shall be run for humanity, and not for money as is the case today.

J. S. Woodworth, M.P., for Center Winnipeg who spoke earlier in the debate said in part: I should like to take up the time of the House for a few minutes in reviewing a little of the unemployment situation across the country. At a meeting of visiting the relief camp for single men maintained by the city of Vancouver. Nearly eight hundred men, almost half of returned soldiers, were gathered together in a large camp at the Exhibition grounds at Hastings Park. The chairman of the meeting termed it "the interment camp." One building had been transformed into an immense bank house; and near by, in what had been the automobile section, there was what the men called "the killing station"—the dining room.

Here these men were given three meals a day and a bed at night. All that the community received in return was the few hours work which was frankly a work test. These men, many of whom most of whom in fact, had been declared by medical health officers to be fit—had skilled trades, a great many of them had served, as I have said, overseas. And yet this is all that we had to offer them at the present time in a country and in a province that had on every side crying needs for development work of almost every kind. The prairie farmers are needing lumber and hundreds of these men were skilled loggers, but we could not get them to work and an equal number of the lumber-put to the farmers.

Coming east, I stayed off for a day or two at Drumheller, where there are immense coal deposits, as we all know. Many of the miners there had been out of work for a long time. One man told me that he had had only sixty two days work in the year 1921. Drumheller is on a government railway, quite capable of bringing that coal which we so much need on the prairie, but it is freight that is said to be prohibitive. Coming down to my own city of Winnipeg, there are and have been approximately 5,000 men unemployed there during the past months.

According to a memorandum furnished by the Victoria government a few weeks ago, the cost was averaging about \$265,000 per month, part of this on relief work and part of it on special work, most of it granted to meet the unemployment situation. Of what very considerable part of this the community received a very small return indeed. In Toronto I was told there were some 16,000 or 18,000 registered unemployed, but those nearest the situation declare that there are 25,000 unemployed. The House of Industry alone existed this winter some 6,482 families, 1,761 of these families being families of returned men. This is saying nothing of the large number of single men who are being provided for more or less by other agencies. The expense for the month of February alone was between \$80,000 and \$100,000. I wish we could visualize what this unemployment really means.

I wonder if I might be permitted to read a paragraph from a report of the city of Vancouver by a visitor accompanying one of the Victorian Order of Nurses. The paragraph reads: "I visited a score of homes of the poor and sick, and saw privation and dirt and filth with my own eyes. It was pathetic. I had known poverty before when every member of the family had to work incessantly to make both ends meet, but for the adults in these homes there was no work to be had anywhere and the people are almost starving. The men are willing to do anything. They seek steady employment and are eager to do their best. Their wives would take any work that they could get, but there is none. There is a dreadful calm and weariness about the children of these people, and an unnatural quietness in their childishness due to malnutrition. They have been hungry for so long that they do not realize that they are hungry. Many of them go to school, but it does them no more good than if they stayed at home. You cannot fill a child's head when his stomach is empty, and what we need along with compulsory education is compulsory feeding."

I need not take up the time of the House speaking about our natural resources. They are here in abundance. At every great public function, at almost every Canadian Club meeting, speakers grow eloquent over the wonderful natural resources of this country. They are here; we do not have to import them from Europe or from the United States. Further than that, we have also in this country the equipment with which to carry on the work of developing these resources.

We have been told that we have six or eight thousand miles of railway more than we need. We have factories across the country from coast to coast that are closed down. We have in the West lumber mills that are closed down. We have mines closed down and last year some of our canneries were not running to their full capacity. We undoubtedly have the facilities in this country for carrying on our industries.

Some men, members may remember, before the war, I am sure, Sir George Paish, the editor of the Statist, told the people of Canada that they had already the equipment for carrying forward productive work of a volume two or three times greater than that which is at present being done and at that time he advised the investors of Great Britain to put no more money into constructive enterprises but rather to invest a little bit more in enterprises of a purely speculative character. He warned them that unless they did this interest charges on money already invested in this country. We already have all the equipment in the country. But what is the trouble? The trouble is essentially that we have allowed natural resources to be wasted. We have permitted individuals or corporations to have allowed the equipment to be handled very largely by these persons and corporations, who are looking to their own profits rather than to the welfare of the people. It is as though we had money, as we have money, and all this equipment and labor stood outside the fence unable to get at these things in order to carry forward the processes of production.

At the gateway is the privately controlled credit system of our banks and financial institutions that determine on what terms we may go in or out; it determines on what conditions the business of the country shall be carried on. It seems to me that the great task of statesmanship in this country in the coming years will be to break down that fence and to bring together these great factors, labor, natural resources and the equipment which we already have in such abundance in Canada.

IMMIGRATION BOOSTER REACHES CANADA.

A traveller who has covered over 600,000 miles in his career arrived at St. John, N.B., on the steamer Metagama in the person of Commander A. Bates, auditor-general for the world-wide activities of the Salvation Army. He is in Canada on a tour of inspection and will visit Montreal, Toronto and Winnipeg. Commander Bates was in charge of a party of thirty-nine men of whom are immigrants.

Commander Bates said that his duties in Montreal would be especially in connection with immigration work. The Salvation Army had a large number of prospective immigrants for this summer. In discussing the immigration question, Commander Bates said that, while many of the people who decide to emigrate choose Canada on account of the shorter journey, Canadians should realize that the government of New Zealand has offered certain classes of people free passages to settle in that country and many of the emigrants were taking advantage of this opportunity. He said that Australia was also offering great inducements for people who are considering making new homes for themselves and Canada should wake up to the necessity of securing these people, who are really the best class of immigrants.

CALGARY GIVES A TIME LIMIT.

Unemployed men quartered at the civic hall house have been given notice that unless they have secured work on or before Monday, they will be turned out. Meantime the circumstances of each man will be thoroughly investigated, and all able-bodied men are being told to accept work now offering, over fifty requests for farm help being unfilled at the government employment bureau last night at wages averaging \$30 per month and board.

VOLUNTARY STAGE CENSOR.

New York.—To eliminate political censorship of the stage, a voluntary jury system has been launched by dramatists, managers, producers, actors and vice crusaders at a meeting in this city. A jury will be drawn from a panel of 300 persons, whose chief qualifications shall be "good citizenship and common sense."

OTTAWA TRADES COUNCIL REGULAR SESSION.

Allied Trades and Labor Association endorsed the move started recently at the Central Canada Exhibition Association from 35 to 25 cents. The executive, in recommending that the delegates vote for the reduction reminded the members that the Exhibition had a surplus last year and the charge in gate charges could be made without jeopardizing the funds of the C.C.E.A.

The executive reported favorably upon the different items in the city bill. The clause respecting the Somerset street bridge was endorsed "on the understanding that other interested parties, i.e., railroads, are ordered by the railway commission to pay their proportions of the costs." The same provision was included in the recommendation to support the city's item for power to raise \$150,000 for the Wellington street viaduct. The executive's report on the city's bill was carried.

Delegate M. Kavanagh said both the city and the association should go slowly on expenditures. The taxes might be raised and it would not be the property holders who would be the sufferers, but the house leases who would have to pay for the higher taxes through increased rentals. "We, as labor men, are not getting the consideration at the city hall that we should and we give more consideration to city hall items than they give to us," he complained.

How much money has been spent on the civic garage? was a question that drew considerable laughter. The query came when the delegates were discussing the city's request for \$10,000 to be used in extensions and repairs to the new garage. No one could answer the question, but delegates thought the city had expended around \$60,000.

The association reiterated its stand in favor of a civic auditor, and it was pointed out that the reform had been placed in the platform of the two labor candidates for the Board of Control two years ago.

Another clause in the executive report that was unanimously endorsed was one relating to the use of school houses on polling days. The executive concurred with the Board of Control which has decided to consider the possibilities of using the schools, and it was hoped that "this commendable reform" would be made.

Delegate Charles Lewis wanted to know if there had been any report made on the investigation into the charges that "rotten" groceries had been supplied to citizens. The reply from the chair was that nothing official had been heard from the investigators.

HUGE PHONE PROFITS.

Net profits of \$13,244,543.19 were made in 1921 by the New York telephone company. There was no deflation for stockholders, who were paid 8 per cent. on their holdings, or double last year's profits.

TORONTO LABOR FORUM HEARS PRES. MOORE.

President Tom Moore, of the Dominion Trades Congress, addressed the Labor Forum, at Toronto, in the Labor Temple. Although ostensibly conducted by the Independent Labor party, the meeting was really controlled by a group of "Reds" who kept up a bombardment of interruptions.

Mr. Moore briefly reviewed the formation, purposes and accomplishments to date of the international labor organization created at Versailles, and agreed to as part 13 of the peace treaty. In doing so, he remarked that some of the people who adopted the provisions of this pact did so under pressure of circumstances and subsequent events had shown that they had done all in their power to undo what they did on that occasion.

Referring to the future of the Canadian government to give effect to eight hour day legislation proposed in part 13, the speaker advanced the need for electing labor representatives to parliament.

"We have the power through the ballot box," he declared, "to place the people we want in parliament. We have, therefore, no one to blame but the mass of the workers who are giving the right of the ballot, if the eight hour people are not there and the things that we want are not enacted."

LONDON MUNICIPAL EMPLOYEES TO BE THE ECONOMY PART.

Municipal bodies of this city have entered on an economy campaign. Announcement was made this morning that all employees of municipal departments are to be asked to agree to a 10 per cent. reduction in salary. If the proposal succeeds, it will mean a reduction of \$150,000 in the tax rate and a further saving in public funds of about \$50,000, making \$200,000 in all.

This proposal will go before the new municipal commission, which has all bodies represented on it, at a meeting to be held Tuesday, March 21.

CLAY STRIKE IS ENDED.

Peoria, Ill.—After a two-months' strike, clay workers employed in the Carter yards are again at work. The agreement includes the union shop, eight-hour day, check-off system and a 40-cent minimum.

CROOKED COTTON BROKERS.

New York.—In an investigation of "bucket shop" methods among brokers in this city, President W. W. Gresham of the American cotton exchange admitted that there has been much crooked dealing in the past by former members and that many charges have been made that cheating of investors still flourishes.

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Chapter 1.

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Chapter 2 Next Week.

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