

tions in the United States? There is no name better known in Wall street than that of Mr. Otto Kahn. He delivered a notable address in this city only a few weeks ago in which he told Canadians that to all intents and purposes, so far as he could see, no country had ahead of it quite the future that Canada has at the present time.

Mr. BOYS: That is a different thing.

Mr. MACKENZIE KING: Different, in what particular?

Mr. BOYS: The difference between prospects and realities.

Mr. MACKENZIE KING: If my hon. friend wants realities I will give him a quotation from another authority. He may have heard or read of some of the speeches made by Mr. Roger Babson, who, as I think hon. members know, is an outstanding statistician in the United States. Here is what Mr. Babson had to say, speaking at Toronto on the 25th of September last:

The situation to-day in Canada is fundamentally much better than in the States, I say that as a statistician not as a publicity man, and my reasons are that in the States we have had this temporary inflation of six months or a year, which suspended the period of re-adjustment.

Conditions in many of the United States cities are worse than in Canada. The boom of 1923 is over and the reaction is taking place; whereas in Canada the re-adjustment of the past twelve months is now behind us instead of ahead of us. Now business has dropped off in the States, factories are working to fifty or sixty per cent capacity.

Is that reliable enough for my right hon. friend?

Mr. MEIGHEN: When was that?

Mr. MACKENZIE KING: That was in September, 1924.

In the States they are working fifty or sixty per cent capacity, the credit situation is very poor and your workmen who went over the line a couple of years ago are very glad to come back here because conditions at the moment are better in Canada than in the United States. I believe you will return to normal conditions and a period of prosperity sooner here in Canada than we will in the United States.

Now, there is reliability, patriotism if you wish.

Mr. BOYS: I hope he is right.

Mr. MACKENZIE KING: I can assure my hon. friend that Mr. Babson makes no statement unless he is convinced that it is right.

Mr. MEIGHEN: You can quote him on anything.

Mr. MACKENZIE KING. I have given a quotation from the speech of a distinguished statistician of the United States who, coming [Mr. Mackenzie King.]

to Canada, makes the statement to which I have just referred. My right hon. friend the leader of the opposition says that Mr. Babson can be quoted in different ways. Very well, I will take the official statistics of the United States and quote to my right hon. friend from that source. I think that probably the bulletins of the Federal Reserve Board are as authoritative and conservative in their statements as any that are published in the United States. I have the latest number, the January issue, of the Federal Reserve Bulletin here which gives industrial and commercial data relating to November, 1924. It says that in that month in the United States there was decreased production in the basic industries, decreased railroad car loadings, and decreased wholesale trade. For the six months ending November the production in basic industries for 1924 is 21 per cent lower than in 1923, and employment is still 12 per cent lower than the year before. Wholesale trade for November, 1924, is only 84 per cent of that of the same month in 1919. For the six months ending November, railroad car loadings in 1924 are 5 per cent smaller than for 1923. Factory employment for November is the same as for October—9 per cent below the 1919 and 1923 level and 20 per cent below the high peak of June 1920.

I have here a statistical table which appears in the Federal Reserve Bulletin on the production in basic industries which gives the whole industrial tale in a nut shell, by comparative months, 1924 as against 1923. I myself have added a column giving the 1924 shrinkage. Here we have the percentages for the five months' period, June to the end of October. I would pause to remind the House that the production of the basic industries determines in a very exact and direct way the production of all the secondary industries. If the basic industries have fallen off in production, the secondary industries will also fall off considerably. Now, what do the figures from this source show as to the conditions in the United States from June to the end of October last year? Let me give the figures:

United States Basic Industries, 1923 and 1924				
Month	1923	1924	1924 shrinkage	
June..	122	94	28	
July..	121	94	27	
August..	120	94	26	
September..	114	103	11	
October..	118	109	9	
5 months average..	119	98	21	

The table shows that in the five months ending October, 1924, the basic production in all lines of industry in the United States was 21 per cent less than during the same period of the year before. Could there be more con-