

Some Hon. SENATORS: Hear, hear.

Hon. Mr. ROEBUCK: Business activity is one of the essentials of human welfare, and upon it almost all other things are built. Therefore I say to you that business activity and a full measure of employment at high wages are the prime attributes, not of charity, but of social justice.

Some Hon. MEMBERS: Hear, hear.

Hon. Mr. ROEBUCK: Given this quality of social justice in our society, both general well-being and high national income follow as a matter of course. With failing profits to industry and lack of jobs at good wages, inevitably you have business depression, hard times, poverty, disease and unhappiness. Indeed, unless you have prosperity with its corollary of high national income, decadence is the fate of our nation.

Henry Wallace, now Secretary of State for Commerce of the United States, a man with a very bright mind and with a background of broad experience, has recently published a book entitled "Sixty Million Jobs." He states his belief that it is possible to bring about full employment and business prosperity in a free-enterprise society without at the same time submitting to what has been described as planned economy—a euphonious term for bossism—and without disastrous inflation and the objectionable features of an unbalanced budget. He believes that this excellent condition may be brought about without the sacrifices which so many of those who speak of its desirability seem to think are necessary.

But, honourable senators, I would call your attention to the fact that Henry Wallace speaks of free enterprise. He does not advocate free monopoly, or free privilege, or free-booting of any kind. It is free enterprise of a true character that he has in mind when he promises the result of business activity and full employment. He speaks also of the gospel of abundance rather than the gospel of scarcity. While I suppose almost everybody would agree in the generalities of my statements, there yet are those in this country who say that, because the war is over and we are now no longer destroying wealth by the billions of dollars, wages must come down. There are those who actually would use the increasing supply of manpower to force wages down. I submit to you, my fellow-members, that the citizen who at this time joins in conspiracies to reduce wages is no friend of Canada.

An Hon. SENATOR: Hear, hear.

Hon. Mr. ROEBUCK: I appreciate, however, that there are those who hold a bona fide view that, in order to compete in foreign

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markets, we must produce more cheaply than our competitors. Of course there is no answer to that statement. We must produce cheaply if we would sell to advantage in foreign markets. On the basis of this truism, they proceed to argue that in order to produce cheaply you must reduce the standard of wages. Well, by way of reply, though by no means completely meeting the argument, I would say that if in order to trade abroad it is necessary that we reduce the standard of living at home, then the sooner we cease trading abroad the better. But of course that is not the case at all. Their argument is based upon a fallacy. The true explanation is that wages are not the only element which enters into production. High wages do not necessarily mean high costs of production; and, conversely, low wages do not necessarily mean low costs of production.

I call the attention of honourable members to the trade in manufactured goods which flows from countries of comparatively high wages and good standards of living to countries of abnormally low wages and low standards of living. I cite, as an example only, the trade in manufactured goods which flows from the British Isles to low-paid and starving India.

To sustain my position that high wages do not necessarily mean high cost of production, or to put it conversely, that low wages do not necessarily mean low cost of production, I quote the words which the senator from Winnipeg (Hon. Mr. Haig) uttered in this House just before the adjournment. Here is what he said:

During this war and in the preceding years of peace the United States demonstrated to the world that through the use of inventions and machinery they could produce goods faster than anybody else, and still pay high wages.

I say to those who would like to engage in the foreign trade of Canada that they must depend upon the things which the honourable gentleman from Winnipeg has specified. They must seek advantage in their own intelligence, in their organizing ability, in machinery and systems, in order to keep the cost of their goods down to a point at which they can sell them in competition with other countries. That can be done in this country as well as anywhere else. They must rely on the things I have enumerated, because we will not tolerate in this country the impoverishment of our workers. There is no alternative.

Now I suggested that low wages accompanied by high rates of production inevitably result in social stagnation, in business depression, poverty and unhappiness. I call your attention to certain general facts. Is it not true that in times of depression warehouses are filled to the roofs with goods