

Forces—Reinstatement in Employment

in overseas investments during the last sixty years. It is not unlikely that our loss has been much heavier, perhaps even £4,000 million.

The interesting point there is that even though England lost possibly four thousand million pounds in foreign investments, that condition brought prosperity because it provided for greater employment in that country. Nearly everyone had work to do; the industries were all running at full capacity. But I would point out how much greater the prosperity of the people of England could have been if that large amount of wealth which was shipped abroad and lost had been made available to the people of England by instituting, we will say, large national projects in the form of slum clearance, parks and so on. Mr. P. C. Loftus, M.P., commenting on that statement in the British House of Commons, pointed out that this was just as much a loss as though the goods had been taken to the middle of the Atlantic and sunk.

Another reason why we can condemn that type of policy carried on in this country is that there can be no justification for maintaining a favourable balance of payments to the extent of \$200,000,000, while at the same time we had in the country a million people on relief. In other words, we were depriving those people of \$200,000,000 worth of goods. As a result of that policy; as a result of our insane desire to maintain a favourable balance of payments, what did we do in this country? In 1938 and 1939 we exported scrap iron to Japan; we shipped oil to nations that we knew would be our enemies sooner or later. But apparently, in order to maintain that favourable balance of trade, we were prepared to ship goods to any nation, no matter whether or not those goods were likely to be used against us in the future. To-day we are having the scrap iron we shipped to Japan sent back to us, with interest in the form of shells and bombs used against our fighting forces.

I want now to point out the other alternative, which, as I said, would have been to issue purchasing power outside the industrial system in order to make up the deficiency of purchasing power, so as to create an effective demand against the production of the country, as has been done or attempted by Mr. Roosevelt. We all know that Roosevelt's policy in the past has been to institute large national projects in order to try to increase the purchasing power of the people so that it will take care of the production of the country. Time and again in broadcast speeches he has made the statement that his policy is to maintain an effective demand against the production of the country. Whether or not he has accom-

plished that, at least we can congratulate him upon his sincerity of purpose and upon the distance he has travelled in that direction.

Supposing we had adopted that policy in this country and had issued purchasing power outside the industrial system in order to increase the effective demand of the people. It will be remembered that from 1935 to 1939 we had an average of half a million people unemployed, with industry running in low gear. We could very well have put two hundred thousand of those men, we will say, at work building up the defences of the country, financed by the Bank of Canada. That would have increased the effective demand against production. As the demand for goods increased we could have put another hundred thousand men at work in the increased production of consumer goods; and as our production of consumer goods exceeded the demand, we could have put more men at work building up our highways, eliminating our slums, and carrying out various other projects. We could have had a commission or board for the purpose of at all times investigating the relationship between the production of capital goods and the production of consumer goods. Any time the demand for goods fell down we could have increased our production of capital goods, and any time the demand for goods exceeded the supply we could have expanded our production of consumer goods. In addition to that, the board, in order to maintain an equilibrium, could have put into operation a discount whenever the demand for goods fell below the supply. That policy has been adopted to a certain extent in the United States, under what is known as the stamp plan. In that country they had large surpluses of certain products. On the other hand they had large numbers of people on relief, with very low standards of living. So they instituted what was known as the stamp plan. When a person was paid a dollar while on relief he was also given a blue stamp worth fifty cents, and with that stamp he could buy fifty cents worth of goods that were listed as surplus. The amount of money issued in stamps was sufficient to take care of that surplus. The same idea could be expanded to take care of all surplus production as it occurred.

A programme of that kind would have made it possible for us in this country to maintain our production from 1935 to 1939 at its maximum level and make that production available to the Canadian people. Surely, Mr. Speaker, when we start worrying about what is going to happen after the war, all that is necessary is for the government to say that as soon as they have no further need of a