

the counters, less cash in Mrs. Consumer's purse, and easier terms have combined to lift instalment selling out of its wartime doldrums.

That is merely an indication of the increasing poverty of the people. The news item points out further that advertising of credit terms has become widespread. Storekeepers are finding the need to advertise credit sales, and they would not do that if they could sell everything they had to sell by cash sales. Goods are sold for as little as ten per cent down with eighteen months to pay for household goods, and twenty per cent for clothing. The article finishes by saying that it is expected that, as durable goods become more plentiful, instalment buying will bounce even higher. This means that the consuming public, particularly that half of the population below income tax exemption levels, cannot buy the things* they need without mortgaging their future. Instalment buying is included in the retail sales statistics. All that happens through instalment buying is that goods bought this month, next month and the month after will not be bought eight or nine months hence. As I said, it is mortgaging the future in order to buy today.

That production is catching up with demand can be seen by anyone walking along the streets of any city, and the twenty-nine per cent increase in inventories reported by the bureau of statistics is merely a confirmation of that fact.

Speaking in the budget debate last year, I said that under our present system the ordinary thing was for supply to overcome demand. I pointed out further that that was the root cause of all modern depressions. That is true, and it is the reason everybody today is thinking about the depression which is around the corner. During the depression of the thirties we were always looking for prosperity around the corner but you do not have to look for the depression around the corner. Unless we do something about the matter, the depression will meet us more than half way. If, as I said, the ordinary thing is for supply to overcome demand, then the obvious thing to do would be to increase consumer purchasing power as goods become plentiful. If there was any social purpose underlying our production and distribution that would be the logical thing to do. We could and should go without many things we should like to have in order to build up our capital structure so as to produce a greater abundance of consumer goods, and during the time we were doing that consumer goods would be in short supply because the labour and material required were being used for the production of capital goods.

But as soon as we had the capital structure built we should be able to increase our consumer purchasing power. But what we have is just the very opposite. We are generally prosperous, as prosperous as a working class can ever be under capitalism, so long as we have a large-scale investment of capital. As soon as investment falls off, although our means of producing the things we need have increased, we have to go without because we have not the means to buy, and as I mentioned before, we then have the depression that everyone seems to be expecting. Although, according to the Minister of Finance's speech, the government is momentarily expecting a depression—

Mr. ABBOTT: No, no; I did not say any such thing.

Mr. MacINNIS: —a falling off in private investment.

Mr. ABBOTT: I did not say any such thing. I know my hon. friend wants to be fair. I did not make any such statement, nor did I imply any such statement.

Mr. MacINNIS: As a matter of fact, if the minister had been in the house at the beginning of my speech he would have heard me quote from his speech on several occasions where he said that, and if I had the time at my disposal I would quote it again.

Mr. ABBOTT: My hon. friend will not find anything in my speech where I said expressly or impliedly that I anticipated any immediate depression. I did not use the word "depression" anywhere in my speech.

Mr. MacINNIS: It depends on what—

Mr. ABBOTT: It depends on the meaning you want to take from it. My hon. friend wants to take a meaning which was not there.

Mr. MacINNIS: It just depends on what the minister calls "immediate". Here is what the minister said, at page 2544 of *Hansard*:

. . . and consequently they are probably spending more and saving less than they normally would with incomes at present levels . . . We must be prepared for reductions in some or all of these abnormal expenditures.

Then at page 2545 of *Hansard*, after forecasting a gross national income of nearly \$12 billion, some \$900 million greater than in 1946, the minister went on quickly to state that this forecast was subject to a wide margin of error "in these uncertain and abnormal times."

Mr. ABBOTT: What is my hon. friend quoting from?

Mr. MacINNIS: I am quoting from the minister's speech in *Hansard*.