

from the time the tree stood in the forest right to the time the book passed over the counter. If anything disappeared, where did it go to? Production constitutes the basis of consumption. When the money was paid out for the production of that book there was constituted an equivalent volume of consumption through the money paid out in the cost of production. There is only one thing which could possibly arise, and I should be very glad indeed to hear my hon. friends deal with this matter. There is a possibility that in some part of the process some man might have got too much while others got too little. It is following largely the teaching of Major Douglas when I say that perhaps someone got too much—I doubt very much whether any of it disappeared.

I put it to the house in another way. Despite everything that has been said, the factors of production are still land, labour and capital. Part of the price of that book went back to the land owner, part of it went to labour and part to capital. But I search in vain for any part that has disappeared. The enigma of the social credit system is the disappearance of the value of production which they cannot trace and which they have made no attempt to trace.

I come now to another point, and perhaps I could not do better than to take the book to prove it. This book tells us that we ought to have social dividends. All right, we should like to have them. Here are the words:

The dividend which is declared over the equivalent period represents the division of the difference between actual consumption and actual production.

That is, my hon. friends, in the social credit section of the house, make the claim that production is vastly in excess of consumption; that there is therefore a large surplus, and that this surplus could be distributed. During 1928 and 1929 there probably was a fairly substantial surplus; it went into savings, into investment, into expansion of plant. But if you are going to get a dividend out of the surplus you must first take it from the people who have it, tax it into your government and then distribute it again as a dividend. But I want to point out that there is not always a surplus. I hazard this statement—I think it is capable of proof—that during the last few years consumption exceeded production. Our stocks of goods are disappearing; besides, depreciation is a part of consumption, and as everyone knows, during the past few years the physical plant throughout the dominion of Canada has been running down, because maintenance has not been provided. So, during the last few years total consumption exceeded produc-

[Mr. Deachman.]

tion. What follows from that? I think it is very simply and clearly stated if we put it in this way: In good years you might conceivably pay, let us call it for the moment the social credit dividend; let us assume that that was paid to the people of Canada; but what would happen in bad years? During the last few years the process would have been reversed and the Canadian people would have been obliged to pay a social credit dividend to the government. This would please my hon. friend the Minister of Finance; he would like it if he could get it. But this is the process. See where it would lead us. My hon. friends of the social credit party are very keen for a national bank. They are anxious, and have been anxious ever since they came into this house, to have a nationalized central bank. The object of the central bank, I take it, is to control the issue of credit. If we restricted it to some extent during periods of prosperity, in order to take the top off the boom, we would let it out in a period of depression so that we might level up economic curves and reduce the intensity of the boom and also the depth of depression. But my friends of the social credit group will pay their dividend in a period of boom or good years, and the people of Canada will have to pay it back in periods of depression. The result is that social credit will be operative in direct opposition to the ideas and conceptions of those who are agitating for a central bank.

Mr. POOLE: May I ask my hon. friend a question?

Mr. DEACHMAN: I would answer every question that is asked, and more, but my time is limited. One section of the program of the social credit party is working in a direction exactly opposite to the other. They propose to steer in reverse northeast by southwest without knowing the port of departure or the destination. Derelicts of that kind ought to be taken out of the open highways of the world.

There is one other point to which I wish to direct attention. They propose what has been called a cultural inheritance. That is, they say that we are the inheritors of all that has passed; all these things that we have are the product of the past, and therefore we ought to be able to pay a dividend out of them. But I submit that we are getting our dividends right now. Take, for instance, the business of printing. Does any man imagine that in the days before the power printing press the standard of living among printers was as high as it is to-day? Could one have had three or four hundred years ago, though one possessed the wealth