

and distributes the world's supply of goods. Among bankers there is a preoccupation with the frozen credits of crippled industry and the price and movement of gold or silver. In agricultural sections, there is at the same time starvation and over-production of food. In the industrial world, consumption fails to keep pace with the capacity for mass production, but without any lessening of fundamental needs. So deep is the cleavage between the production of wealth and the capacity for its absorption that the criticisms of to-day are as wide as the sweep of world trade and as far-reaching as the capitalist system itself.

Again he says, and I hope that the very few members now present on the government side of the house will pay some attention to these words of Professor Shotwell:

The bigger the business, and the more it is organized according to sound principles and not dependent upon the temporary support which tariffs yield by a tax upon the consumers either here or abroad, the more it must look toward increasing that democratization of wealth which enables the common man to buy the goods which he produces. Wages must be increased, not to some limited point which the experience of the past assigns, but proportionately with the development of industry itself.

Let me quote another very striking statement which was made recently (January 14) by George Soule on behalf of the editors of *The New Republic*, after they had very deliberately considered the whole situation:

To-day there are in the United States, according to the census director, something like nine million men out of work; our cities are scenes of privation and misery on a scale which sickens the imagination; our agricultural life is bankrupt; our industry, in shifting to the south, has returned almost to the horrible conditions of the English factories of a hundred years ago and the fight of the unions there for recognition is all to begin again; so many banks are failing that the newspapers do not dare to print the truth about them. And when we look to Europe, west of Russia, or to South America, we see only the same economic chaos, the same lack of will or capacity to deal with it and the same resultant poverty and suffering. May we not well fear that what this year has broken down is not simply the machinery of representative government, but the capitalist system itself?—and that, even with the best will in the world, it may be impossible for capitalism to guarantee not merely social justice but even security and order? May we not fear lest our American society—may not eventually collapse—as ignominiously as the feudal regime of Russia or France?

And if there is anything that would make one fear this danger in Canada it would be the speeches to which we have listened so far in this debate, in which there has been not one scintilla of hope, nothing to show that either the leader of the opposition or the Prime Minister is aware of the seriousness of the situation or is prepared to offer anything constructive in the way of remedy.

Again may I quote another very important article which has recently appeared in *Harpers' Magazine* for November, last entitled "The Enemy of Prosperity—Overproduction." In this article Stuart Chase, a prominent writer on economics, calls attention to the fact that under present conditions the better we do things the worse off we are; the more potential goods with which we are capable of blessing mankind, the worse off is mankind. He shows that the United States has kept its nose above water until the present depression because of its enormous home market, its prodigious natural resources, its mounting population curve, its automobile industry which created 4,000,000 jobs, its installment selling, and its policy of the economy of high wages. But he goes on to point out that even in the automobile industry the new market has largely given way to a replacement market. He shows that in boots and shoes the United States is capable of producing three times the volume that the people can now buy. I should like to ask the Prime Minister, when all the Canadian woollen factories are set up and begin to produce where they are going to sell their output. Mr. Chase points out that the coal mines of the United States can produce 750,000,000 tons and the market can absorb only 500,000,000 and so on. There are to-day too many oil wells, too many refineries, a multiplicity of filling stations. Each individual in business goes ahead and expands as he sees fit, unaware that the demand of which he is conscious is only a temporary demand.

Mr. Chase continues:

It has been proposed that we sell our surplus abroad. Unfortunately this has also been proposed in all other nations, many with the same kind of exportable surplus. Doubly unfortunately, all follow, or propose shortly to follow, our spirited lead in penalizing imports by a tariff wall as high as the tower of Babel.

And our present government is among those nations. Let me quote this concluding paragraph, and it is significant from a man of the standing of Mr. Chase:

In Russia they build no more shoe factories than are necessary to supply Russians with shoes. The Kremlin is attempting scientifically to articulate supply to demand, and the results so far under the five-year plan have given the whole world pause. Our ways are not Russian ways, but have we less in the way of brains, human wisdom and human foresight? I am enough of a patriot to doubt it. But I am cursed with sufficient prophetic sense to be profoundly sure that if we do not embark upon a program of industrial coordination after our own fashion, and that shortly, we shall be driven some day, after God knows what suffering and bloodshed, to the Russian