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FOR POLITICAL AND ECONOMIC REALISM

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Rural Water Supply

In the House of Lords on April 26, 1944, Lord Bingley rose to call attention to the unsatisfactory supply of water in rural districts; to enquire what plans the Government have for its improvement; and to move for Papers. . . .

The Earl of Portsmouth: . . . I share to some extent the doubts of the noble Lord, Lord Bingley, about the ultimate control by the Ministry of Health of all aspects of our water supplies. Undoubtedly the Ministry of Health should have a say in the question of pollution and purity and also in the adequacy of the water supply, but on the other hand the Ministry is not necessarily the body which can decide best either on the industrial use of water or its rural use or on ecological aspects of the question.

I should like to dwell briefly on the ecological aspect and the rural use of water. The greatest part of our rainfall occurs in the north-west and the west of England, generally in the hilly country. The rest of England is a relatively dry area. Most of the east of England has a rainfall considerably less than that of the Sind Desert. It is to the east of a line running roughly from Hull to Dorchester that the greater part of the population of this country is to be found, and it is that side which is the driest. It is that side also to which there is a steady tendency for industry and population to migrate and it was there up to 1939 that there was the highest standard of life and therefore the greatest abstraction and use of water. Though the White Paper is reassuring on the total adequacy of our water supplies I am by no means happy over the fact that it is merely one-fifteenth of that total that we are using to-day, because it can have very serious ecological effects on the drier parts of the country if that water is abstracted from underground reservoirs. Although in parts of the country river water is purified and used for domestic supplies there is nothing to stop industrial users abstracting from under their property enormous supplies of underground water, and a great many domestic users both public and private do the same.

Considerable mention has already been made of the runoff to drains from road, street and roof direct into the sea, which again detracts from the accumulation of underground water supply. But the position is very startling in some cases in Eastern England. The water level under St. Paul's Cathedral in the last hundred years has fallen 200 feet. Roughly speaking in the last twenty-five years it has fallen about 25 feet. I have heard it said, but I cannot vouch for the accuracy of the statement, that serious concern is being caused among engineers concerning the safety of the foundations of some big buildings owing to the drying out of the clay. But it is not only that it is going to matter

on this account. The pressure on the upland springs is going to disappear.

If I may be allowed to speak from personal knowledge, may I tell your Lordships that I live in an area many parts of which are from the modern point of view waterless as regards surface and shallow well supplies? But there are very large underground supplies available. I know of one deep bore which supplies an area of some thousands of acres, which had previously been completely waterless, on which live some hundreds of human beings and some thousands of heads of live stock. The bore was originally guaranteed by all kinds of experts and geologists to provide an inexhaustible supply, and a completely permanent supply. And so it proved on tests made over twenty years working. But quite recently, in the last half dozen years, a tremendous difference has become apparent. New water undertakings have been started in the district and the level in the bore holes has now dropped six feet. Though the supply is quite good still it is obvious that technically the position is very dangerous for lowering of the bottoms of the bores may result in water starvation in large areas, which can ill afford it and where a supply can only be restored with immense expense.

The same thing is reflected in the drying up of the head waters and the chalk streams where they rise. In some cases they are back five or six miles from the points where many people can remember them rising; in other words areas which were once fertile have now been very adversely affected. For many miles acres of watercress beds now lie barren and the whole balance of the farms on the upper reaches of the chalk streams is being upset. If this goes on the ecology of the countryside may be very seriously altered. Irrigation is no longer possible on some water meadows and the rich, lush grass occasioned by a high water table has disappeared. I believe that this lowering of underground reservoirs and therefore the lowering of underground springs is doing far more than local damage.

Now there are two causes of desiccation. One is the generally increasing abstraction of underground supplies which has been going on in the last thirty or forty years, more especially by industry in towns at the lower water levels. The other is the gradual deforestation of the country which has taken place since the time of the Tudors. Regard must also be had to the fact that more than ever to-day in market gardening overhead irrigation has, quite rightly, become more and more used for production purposes, and in the cultivation of general crops which now tend to take much more water out of the soil than the humus can leave in it. In these cases there is very serious danger, and I think we should put remedial measures in hand before it becomes too late.

I should like to urge that for the future safety of our rural life and food supplies, considerations should be given to one or two proposals. In the first place, I suggest that so far as is humanly possible we draw our water from the high rainfall districts by impounding it in the hills or draw it from the lower reaches of our south and eastward flowing rivers. I know I may be asked, "Where is the money coming from?" If you go round any of our large towns to-day you will see that we have managed for temporary purposes to bring in enormous supplies of water. You will see them piped overground all over the place. . . .

With regard to the use of rural water supplies and their extension, I agree that this presents in many cases a most difficult problem. The financial provisions which are being made are a very great advance on anything which we have had in the past, and we are duly grateful. But the problem differs in different areas. Where the supplies can be supplied by existing undertakings, as in compact villages close to the lines of existing developed supplies, the trouble will not be great, but where outlying farms and hamlets are concerned, quite a different problem presents itself. Quite rightly there is a demand for new amenities, and that demand has got to be met. Baths can be installed in dwellings but they must have an exit pipe which is both hygienic and sanitary. . . .

When piped supplies are made available more generally, the question of the education of the water users will have to be gone into. . . .

If the Ministry of Health is going to have control of our future in respect of water supplies, I would urge that they go very slow in installing water sanitation in districts where this cannot be joined up with a public sewer system. . . .

I think, therefore, that there are two things which are necessary. Most of these water supplies, and particularly the outlying water supplies, will have to be put in by the most economic private method where good water is available under the ground, and there will be very little waste of good water. That will have to be done by private enterprise and individual owners. Because of the great expense of doing so—as those who have tried to put them in know—we are going to need exactly the same grants, in the form of the 50 per cent. grant for the extension of water supplies to cottages and to farmhouses as well as to agricultural land, and the extra expense involved in the provision of the amenities which result from the availability of that water in cottages will also require to be met. Very few farmers or landlords to-day have reserves which will enable them to put those in by the use of their own capital.

I urge on the noble Lord, Lord Woolton, therefore, that great care should be taken to secure equality of treatment for the private owner who puts in the necessary amenities in the countryside, and to see that he gets the same grant and the same credit facilities as do public authorities in the case of approved schemes. . . .

MINISTRY OF PRODUCTION

A table showing staff and cost of the Ministry of Production since its formation in March, 1942, shows that the total staff on June 30, 1942 was 492, and on January 31, 1944, 1,482. The monthly cost was: Regions, £4,819 8s. 9d.; Headquarters, £6,968 10s. 0d.; Total £11,787 18s. 9d. for 1942; Regions, £18,628 3s. 9d.; Headquarters, £21,692 12s. 4d.; Total £40,320 16s. 1d. for 1944.

COAL MINING INDUSTRY

On April 19 Mr. Ness Edwards asked the Minister of Fuel and Power to state the figures showing the number of persons employed, output of saleable coal raised, average number of shifts worked per week, ascertained pit-head price and average wage per ton and per shift for each half-yearly period from 1936 to date. The following is the table supplied by Major Lloyd George:—

Period.	Average No. of wage-earners on colliery books.	Total output of Saleable coal raised.	Average No. of shifts worked per wage-earner per week.†	Average proceeds per ton disposable commercially.†		Average Wage paid (excluding the value of allowances in kind).			
				s.	d.	Per ton disposable commercially.†		Per man-shift worked.†	
				s.	d.	s.	d.	s.	d.
Jan.—June, 1936	759,500	114,606,500	4.99	14	6.31	9	1.42	10	0.03
July—Dec., "	752,500	113,827,700	5.02	14	8.69	9	2.61	10	0.66
Jan.—June, 1937	772,000	120,488,500	5.23	15	6.30	9	7.25	10	7.01
July—Dec., "	783,700	119,904,200	5.14	16	2.82	10	0.47	10	9.06
Jan.—June, 1938	789,500	116,375,900	5.05	17	3.58	10	5.68	11	2.38
July—Dec., "	773,900	110,617,300	4.87	17	5.16	10	7.23	11	2.79
Jan.—June, 1939	773,000	117,751,500	5.18	17	6.46	10	8.35	11	5.79
July—Dec., "	759,600	113,586,400	5.11	18	4.36	11	1.20	11	7.75
Jan.—June, 1940	762,400	117,951,700	5.36	19	11.82	12	2.04	12	8.67
July—Dec., "	736,000	106,347,100	5.18	20	10.98	13	4.82	13	4.38
Jan.—June, 1941	692,900	101,314,200	5.35	23	6.60	14	4.89	14	2.91
July—Dec., "	702,300	105,030,100	5.39	24	6.37	15	8.88	15	6.64
Jan.—June, 1942	707,100	100,800,200	5.35	24	8.69	16	9.17	16	2.24
July—Dec., "	710,900	102,833,200	5.33	27	10.36	19	4.81	18	8.38
Jan.—June, 1943*	710,300	99,151,300	5.23	28	11.39	19	10.93	18	11.05
July—Dec., "	702,700	96,337,300	5.03	28	11.15	20	7.31	19	3.36

*Provisional.

†Information in respect of the whole of the coal mining industry is not available except in the case of shifts worked per wage-earner for which complete statistics were available from the beginning of 1943. The figures shown relate to undertakings accounting for between 96 and 97 per cent. of the total output and have been obtained from returns made in connection with the wages ascertainties.

The National Trust

An article in the *Daily Telegraph* by J. E. Sewell in January, dealt with the history and activity of the National Trust, which celebrates its jubilee this year.

The article is a comprehensive survey of the organisation and achievements of the National Trust, and a warning against the Monopoly-of-Land policy so obviously being pursued in order to oust the private land and property owner, and instal in his place a nebulous body—corporation or syndicate—which knows only what it is told of the nature of land, and views it only from the point of view of some 'economic' pseudo-efficiency.

The National Trust was founded in 1895 as a private venture, but incorporated by Act of Parliament in 1907. Its powers were increased by further Acts in 1937 and 1939. It is governed by a council of 50 members of whom 25 are nominated by public bodies, including the main universities of England and Scotland, and 25 elected by members at an annual general meeting. The Chairman of the Executive Committee is, at the moment, the Marquess of Zetland (whose long record of appointments in India and elsewhere, and his masonic career and bank directorship, *etc.*, no doubt fit him admirably for this position).

According to the actual words of the Act of 1907, "The National Trust shall be established for the purpose of promoting the permanent preservation for the benefit of the nation, of lands and tenements (including buildings) of beauty or historic interest and as regards lands for the preservation (so far as is practicable) of their natural aspect, features and animal and plant life."

The National Trust today owns 100,000 acres of property, and as Mr. Sewell so correctly surmises, the chief motives impelling landowners to hand over their property to the Trustees is not the "preservation for the benefit of the nation of lands and tenements," but the fact that "The National Trust is one of the most privileged land-owners in Britain. As a charity it pays no income tax, and bequests to it are exempt from death duties. It is in fact, one of the small minority of land-owners who can face the future with a reasonable assurance that its property can be preserved intact down the years with ordinary care."

Mr. Sewell goes on to say:—"Such a guarantee in times like these is worth a great deal. There are many owners of property whose fathers and their fathers before them, have had to fight hard to keep their historic inheritances intact for posterity. Faced with the prospect of taxation and death duties which have now become beyond the strength of almost any family to bear, the owner of a property which has a value in tradition as well as in the open market can hardly do better than to surrender his ownership, if he can, to the National Trust."

Therein lies the plot. Private ownership and individual initiative are mercilessly crushed underfoot by taxation and death duties. Simultaneously the organic life of the estate is killed by the eviction of the owner, to be artificially preserved by an executive Council which comes along and seals all its arteries and veins, so that posterity (whatever that may mean) may view the mummy, and dig for the skeleton of the "country Gentleman."

And this tragic proceeding is viewed as "fortunate," and the fact that a National Trust has been brought into

existence to "preserve" the Nation's historical buildings and "beauty spots" is regarded as "progressive." The meaning of the word *preservation* cannot be presented itself realistically to anyone who thinks like this.

The thing which forms the backbone to the dignified, noble and creative life of English land-owners is being wrested from them after generations of proud care for the land which was their own, and for their tenants and dependents who lived on it. The National Trust are 'cashing in' on the forced eviction of the landed gentry, and on an emotion easy to arouse in any Englishman confronted by the disintegration of an historical and well loved building or forest. Rather than see the ruins of a great house one would prefer to see its life-less shell, but what was so wrong with the days when it was the pivot of an everwidening circle of social activity from the village in which it stood, to the furthestmost boundary of the county? It and its owners were a unit round which and from which, a small group moved and worked and had their being, proud of its tradition, and of being associated with it.

Leisure, gaiety, polite exchanges: life spent in spacious dwellings, surrounded by gardens and parklands, is now, alas, practically unknown except in the works of Jane Austen, Charlotte Brontë and George Meredith. But is it too late to save the remnants from this financial tyranny and once again make it possible for each English man to own his own castle of the dimensions of his own choosing; to make it possible for him to live in the house which has been in his family for generations and which he has exhausted himself in fighting to preserve? If it is physically possible it is financially possible—and it becomes blatantly obvious that taxation and death duties are being used in this instance, as in many others, to deprive him of his freedom to control his own life.* What, compared to this, does the Trust have to offer? Museums, Ruins, "Beauty spots." Of its nature its administration must be of the bureaucratic, card-index variety. There will be no weaving in of the present with the past, which is innate in the way of life of the hereditary owner. Commerce will automatically displace free management and quiet living, and thus will quality give way to quantity, and dignity, beauty and peace give way to noise, clamour and 'common-wealth.' If a group of fifty can be allowed the "privilege" by Act of Parliament, of administering land and property free of income tax and death duties, it stands to reason that it is possible for land-owners severally to be entitled to this privilege. Are they going to do anything about it, or are they meekly going to hand over their right to ownership without questioning the necessity for this measure? This does not only apply to owners of historic mansions, castles, *etc.*, but to every single man and woman who *owns* any property, whatever its nature. This alien policy that is being ruthlessly pursued, is to deprive each one of us of our "fig tree" because when "each man shall sit under his vine or under his fig tree, none shall make him afraid." And fear is the most deadly weapon of all.

A. C. J.

*"The aristocracy of the *goyim* as a political force is dead—we need not take it into account; but as landed proprietors they can still be harmful to us from the fact that they are self sufficing in the resources upon which they live. It is essential for us at whatever cost to deprive them of their land. This object will be best attained by increasing the burdens on landed property—in loading land with debts."

— *The Protocols of the Learned Elders of Zion.*

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The Brief for the Prosecution

The main outline of the strategy pursued steadfastly by the Secretariat before and during the war is apparent, and may be described broadly as the identification of the agents of world disorder publicly, leading to a unification of available political forces inspired by a naturally opposite objective. World disorder is the resultant of innumerable strains of lesser dimensions set up in accordance with the principle, Divide and Rule. The technique employed is that of inventing, fostering and imposing a constant procession of individual grievances, the source of which is rarely apparent to the aggrieved, who, placing responsibility in the wrong quarter, thereby create still another grievance while allowing the author of all grievances to escape both detection and control.

Through the activities of the Secretariat, and essentially through no other activities whatsoever, however estimable in themselves, it has become clear, by a process of pragmatic demonstration, not by any process of logic, that the unifying principle of Social Credit is operative and effective in society, and that the means at our disposal, although purposely and mischievously restricted, are adequate for the enlightenment of a sufficient number to secure the results we desire in shortening the gap between the victims of the monopoly of power in society and that monopoly.

Consequently, the issue of *The Social Crediter* for April 8 carried on its front page an announcement under the heading *The Issue*. Therein, following a list, not by any means exclusive, of agents ranged against the individual members of the community, whether as effectives or as consumers, our belief was indicated that action by individuals could overcome the vast evil combination against them, and the announcement ended with the following sentences:—

“We are satisfied that we know the genealogy of this trend, which is traceable, amongst other things, to the conception of the great German General Staff, as organised from the days of Frederick the Great of Prussia. We propose in the near future to explain the connection of all movements towards monopoly to a source operating through Germany, if not original to Germany.”

These sentences forecast the publication of an important new work by Major C. H. Douglas, to be entitled *The Brief for the Prosecution*.

The Social Crediter is privileged to publish extensive extracts from this work, and publication will begin shortly.

FARMING IN CANADA

“Another thing that alarms me,” said Mr. J. W. Burton in the Canadian House of Commons recently, “is that the agricultural policies of this government are forcing the family farm out of our national economy. More and more are we being forced on to a mass production basis. The only way the farm family can compete with modern mass production is by the use of the unpaid slave labour of the women and children on the farms. If it were only that the family farm was in danger I would not be so much concerned, but the very existence of the farm family is being severely threatened. Remember, the family unit is the very foundation of our nation...”

Later in the debate, which was on the Governor General's Address, Mr. Hlynka (Vegreville) gave corroborative details. He said that the 1941 census showed that there were then 732,715 farms operated in Canada. Of this number 549,972 were operated by owners, and others either in part by owners and part by tenants or simply by tenants. “In the Province of Quebec tenants occupy one farm out of every thirty; in Ontario, one out of every nine; in Manitoba, one out of every five; in Saskatchewan, one out of every four; in Alberta, one out of every six. The census shows further that from 1931 to 1941 the ownership of farms dropped by 5.8 per cent. and there was an increase of 25.3 per cent. in rented farms during the ten-year period.” The average size of farms in Canada increased from 198 acres in 1921 to 238 acres in 1941. In 1941 Canadian farmers owed \$629,000,000 which amounts to an average of \$2,372 per farm, and that does not include debt written off, or smaller private debts. Forty-eight per cent. of all owned farms in Canada are mortgaged. The following are the percentages of farms operated by owners and carrying mortgage indebtedness in 1941:—

Nova Scotia, 13.1 per cent.; New Brunswick, 19.0 per cent.; British Columbia, 31.5 per cent.; Quebec, 39.9 per cent.; Prince Edward Island, 46.4 per cent.; Ontario, 50.7 per cent.; Manitoba, 53.3 per cent.; Alberta, 61.0 per cent.; Saskatchewan, 77.6 per cent.

PRICE CONTROL

Senator R. V. Keane, Commonwealth Minister for Trade and Customs, said on Thursday that in order to maintain the stability of retail prices, the Prices Commission was planning to extend the principle of ceiling prices to all standard lines. Where the costs rose beyond the capacity of traders to absorb them, the Government would meet those costs by subsidies. Senator Keane added that the fact that the retail price index number for the March quarter had shown no change over the previous quarter was further evidence of the effects of the prices stabilisation plan.

— *Australian Newsletter*, April 25, 1944.

THE ART

“They be farre more in number, that love to read of great Armies, bloody Battels, and many thousands slaine at once, than that minde the Art, by which the Affaires, both of Armies, and Cities, be conducted to their ends.”

— HOBBS, *Preface to Thucydides*.

The "Full-Employment" Issue

MR. KUHL'S SPEECH IN CANADIAN PARLIAMENT

The speech of Mr. W. F. Kuhl, Social Credit Member of Parliament for Jasper-Edson in the Canadian House of Commons, besides indicating the high level of political discussion there, was important for its bold and clear attack on "full-employment" as a post-war objective. The occasion was the Debate on the Address in reply to the Governor General's speech at the opening of the Session on February 1 last.

Remarking that there could be no difference of opinion that the winning of the war remained the first of all objectives, Mr. Kuhl said:—

I believe it was the Prime Minister (Mr. Mackenzie King) who said on one occasion that if no preparation was made for the new order before peace came, we should look in vain for that new order. That being so, it is the primary duty of those of us charged with the responsibility of making the laws of the nation to see that adequate preparations are made for the peace when it comes. This leads me, then, to a consideration of some of the objectives for the time of peace, as indicated in the speech from the throne.

If there was any one problem which more than another caused headaches and heartaches between this war and the last one, it was the employment and unemployment situation, and all matters relating thereto. The speech from the throne makes several references to the attitude of the government on the question of employment in the post-war era. I shall point to a few of these statements, one of which is as follows:

The maintenance of full employment will require, in the period of transition from war to peace, a rapid and efficient conversion of war industries.

Another paragraph which refers to the three broad fields of post-war planning contains this expression—

—the reconversion of the economic life of the nation from a war-time to a peace-time basis, and its reconstruction in a manner which will provide opportunities for useful employment for all who are willing and able to work.

Still another reference is made to employment, when the matter of world trade is dealt with. The reference is worded thus:

During the period of transition, the provision of international relief will help to maintain full employment of Canadian manpower and resources.

In another paragraph, which refers to social security measures, we find this statement:

Such a national minimum contemplates useful employment for all who are willing to work.

These numerous references to the question of employment indicate the importance attached to the subject. Consequently I feel impelled to express a few views on matters relating to employment, particularly the objectives which the government and others have in mind.

These extracts from the speech from the throne, statements which have been made by almost all hon. members thus far, and many speeches made outside the house, indicate that one of the outstanding and most important objectives in the post-war world is what is called full employment. I cannot agree or disagree with those who indicate that full employment should be our objective, until I understand what those who enunciate such an objective have in their minds.

I should like to know what they believed would constitute full employment. What has the government in mind when it uses the term "full employment"? What has the Progressive Conservative party in mind when its spokesman refers to full employment as an objective in the post-war world? What has anyone either in or outside the house in mind when he refers to full employment as an objective? Does he mean that all people from sixteen to sixty must put in eight, ten, twelve, fourteen or sixteen hours a day before they are entitled to live? Do they mean by full employment that it is not possible for the people in Canada in the post-war world to enjoy the standard of living they desire unless they put in eight or ten or more hours of work a day? Or do they mean that the amount of work which all people, everywhere, will be obliged to do will be only that which the power machines are unable to do?

Before hon. members in the house, or any group of individuals charged with the responsibility of formulating policy, can make any progress in respect of this subject connected with employment in the post-war world, we must have a clear definition of our terms. One great thinker has said that all intelligent discussion begins with a definition of terms. I have yet to hear any individual, either on the government side or on the opposition benches, indicate what he understands by full employment. In my view it is imperative that those who advocate full employment as an objective indicate what they have in mind.

Even before defining the term to which I have referred, I think there is another matter we must settle in our minds and must first determine, namely, the purpose of an economic system. Why do we have an economic system? What is an economic system for? Judging from most speeches I hear both in and out of the house, the complete purpose of an economic system is to keep people at work, to keep their noses to the grindstone. As one who subscribes to what I believe is a new philosophy, I wish to dissent completely from that point of view. I have a different attitude in respect to work. I assert that the purpose of an economic system never was, is not now and never will be that of providing jobs. My contention is that the only sound, sane, sensible, logical and legitimate purpose of an economic system is to provide the maximum amount of goods and services for the minimum amount of work and trouble. I consider that a major premise upon which to base proposals for the post-war period, and I challenge anyone, either in the house or out of it, to refute the soundness of that premise.

I wish now to consider for a few moments what constitutes full employment. What should determine the number of hours of work any worker in industry, any farmer, any office worker, or any worker anywhere should be obliged to perform? I would say the number of hours of work are entirely dependent upon the standard of living which the people of Canada collectively desire, and the extent to which power machinery displaces human effort. I believe most hon. members, as well as many economists and others who speak as economists outside the house, have not reconciled themselves to the fact that we are living in 1944 A.D., and not 1944 B.C. My criticism of many orthodox economists and the people who hold an orthodox point of view is that most of them were born a hundred years too late. They should have been born back in the eighteenth century. In spite of the facts which stare almost every one of them in the face almost every day of his life, many fail to recognise that the

discovery of electricity, steam power, the diesel engine, radio, electronics and many other things, has increased man's productive capacity by about forty to fifty times what it was a century or more ago. This being so, it should follow that our standard of living to-day—I mean in the post-war period—should be forty or fifty times greater than it was a century ago. Or, on the other hand, if a man does not desire a standard of living any higher than what it was a hundred years ago, he should be required to put forth forty or fifty times less effort in order to enjoy such a standard of living.

This war, as did the last war, has precipitated a technological displacement of human labour much more than would have occurred in a time of peace. I believe we shall all have to reconcile ourselves to the fact that because of this technological displacement of labour we should be able to look forward in the post-war world to a work day much smaller than eight hours. All persons capable of working probably could be kept employed in the post-war period for quite a number of years. We have extensive public work programmes to carry out, but surely we are not going to complete the public works programmes for the next three, four or five generations. Surely we are going to leave something for them to do.

We need public works projects, irrigation schemes and many other things, but in considering these in the light of employment we should decide to build roads for the sake of roads and not for the sake of the jobs which will result. We ought to build roads because we want roads. We ought to provide more irrigation because we want irrigation and the resulting produce from the lands which will be irrigated.

If in the post-war world all our farmers and workers of every kind are permitted to enjoy the fruits of the machinery available, in leisure as well as in the form of commodities, I believe that the hours of work will be reduced to six, five or even four a day. If the farmer is able to obtain the prices for his commodities which will permit him to buy all the farm machinery, tractors, power, electricity and so on that he needs, the same circumstances will apply to him. We must recognize, as I believe very few in Canada recognize, that the power machinery has come not only to remove the drudgery of our everyday tasks but to provide us with more hours of leisure and fewer hours of work. I believe that is the state of things which everyone in this chamber desires to see brought about. I believe that is a set of economic circumstances which everyone desires to see created.

If the truth were known I think it could be said of every one of us that we are constantly trying to get out of all the work humanly possible in order that we may have more leisure. Leisure is not a loafer's paradise; it is an opportunity for self-imposed and self-initiated activity. When people are freed from the necessity of having to spend most of their time in order to keep body and soul together, they indulge in voluntary activities. In most instances they will expend more energy in those voluntary activities than they do in their hours of work. It is not work that anyone objects to so much; it is being compelled to work, whether that compulsion is by the government or by nature. No one wishes to be compelled to do anything. What the people want and desire is to choose their own activities.

When a government, whether it be this government or any other, seeks to compel the people of the nation

to work, whether it be on public works or on work of other kinds, then that government is imposing a condition of slavery upon the people. That is the condition we had before war broke out. In many instances roads were being built with picks and shovels and wheel-barrow while the machinery capable of doing the work was rusting. I consider that a condition of slavery. To arrange our national economy so that the people may choose their own forms of activities and put themselves to work is a different situation.

I believe that the extent to which the people of Canada will be free after this war is over will be the extent to which they are freed from compulsory work, whether that is imposed by a government or by natural circumstances. The work state is nothing less than a slave state. From my conversations with members of the armed forces as well as with other people it is my belief that what they desire most of all when they return—those who will be fortunate enough to return—after this awful calamity is brought to a conclusion is the greatest possible freedom from compulsory labour, and the greatest possible opportunity to indulge in voluntary activities. One reason we are fighting this war is to drive from the earth the philosophy of compulsion of any kind. If our heroes come back to a work state, then much of the sacrifice they have made during the war will have been in vain. Man was made in the image of his creator, and as such he has been blessed with creative instincts. Man will never really be free until he has had the greatest possible opportunity to express those God-given instincts. The power of the machine and all the accumulations of inventive science have made it possible for man to-day to have a greater opportunity for self-chosen activity than ever before in the history of the world.

The real question, as I see it, in connection with employment or unemployment is not so much the question of employment as it is the question of empayment. Naturally, when one talks about a six-hour day, a five-hour day or a four-hour day, the worker's reaction is: Well, if the number of hours of work is cut down to that extent, what is going to happen to my income? If the number of man-hours necessary to produce the standard of living which the average Canadian desires is reduced to six or five or four, what will be the consequence so far as the income of the individual worker is concerned? Will it be cut accordingly? That is a question which naturally arises in the mind of any worker. What happens when a machine is placed in a factory and displaces one hundred or five hundred or one thousand men is that not only does the man's job disappear but his pay cheque too. Private enterprise has been condemned for this. There are those who say that private enterprise failed before the war broke out because it did not provide jobs. There are those who are saying now that if, after the war, private enterprise does not provide jobs it must be eliminated.

I wish to say with respect to private enterprise that I do not consider it the duty or obligation of private enterprise anywhere to provide jobs. That never was the duty or responsibility of private enterprise. The only legitimate function of private enterprise is to provide goods; that is all. I say to those who are so speaking on behalf of private enterprise that they assume that the provision of employment is an obligation of private enterprise. They are assuming a situation which is simply impossible, and furthermore it is undesirable; for, after all, the only legitimate and sound

function of the economic system is to provide goods, whether that requires jobs or not. If we can produce most of our essentials of life and the common luxuries as well through the use of a lot of mechanical robots, then I think we should do it.

There is a lot of criticism being made of private enterprise to-day. I do not believe that the thing which is at fault is the principle of private enterprise. The only thing which I can see wrong with private enterprise is the abuse of that privilege as well as the deficiencies which are inherent in the system, and which are nobody's fault, but which must be corrected.

The low wages to which the hon. member for Cartier (Mr. Rose) referred when he spoke last night of the Dominion Textile Company paying twenty-two cents an hour, is an abuse of the privilege of private enterprise. It is not because of the use of the principle. Likewise improper working conditions, abuses of one kind or another which are resorted to, monopolies and so forth—all these are abuses of the system, and the criticism which I make of our friends, the socialists, and those who criticise private enterprise is that they are constantly confusing the use of the system with the abuse of the system. I believe it was last session that the hon. member for Weyburn (Mr. Douglas) on one occasion spent almost the whole of his forty minutes in making a speech in attributing all the evils of society to private enterprise. I do not consider that that is fair or just, for after all, if the truth were known, I believe that every last individual in this country, whether he calls himself a socialist, a communist or anything else, really believes in private enterprise for himself. If the abuses of the private enterprise system are corrected and its deficiencies taken care of, I believe that it is the best system that we can ever have. When the socialists and those who advocate government ownership contend that the way to deal with the abuses of the private enterprise system is for the nation to take it over, I say that is equivalent to saying that we ought to abolish freedom for fear of its being abused. My personal belief is that it is only under a system of genuine private enterprise that we can ever have genuine freedom. Substituting state monopoly for private monopoly is no remedy for the abuses, because one monopoly is just as bad as another.

Just a word with regard to the deficiencies inherent in the private enterprise system. This brings me to a point which we Social Credit people have made ever since we have been in the House of Commons. It is the original premise upon which Major Douglas based his proposals. It is a point which we contend is still true and will be still more so when the war is over. It lies at the basis of the deficiency of purchasing power which exists all the way through our system. The one fact in industry to which most economists and members of this house as well have to reconcile themselves is that industry is not self-liquidating. There has never been as much distributed in wages and salaries and in payment for raw materials in the process of the production of any article to equal the prices of the commodities which are offered for sale. I believe that the majority of the people of this country who think and speak upon economics still assume that when a thousand dollars worth of any commodity is produced, automatically there is one thousand dollars worth of purchasing power with which to purchase the commodity. They assume that when a shoe manufacturer

produces ten thousand dollars worth of shoes, automatically there are ten thousand dollars worth of purchasing power in the system to buy those shoes. It is assumed by most economists that the ability to consume is always equal to production. That, I consider, is one of the major fallacies of economic thinkers. Major Douglas was one of the first to point this out, in saying that there is inherent in the system a chronic shortage of purchasing power which is never overcome.

I have here one statement which members of our group have placed on record before. I do not like to repeat facts and figures, but this is so fundamental that I think it must be repeated until it is acknowledged. The national bureau of economic research reports on the income of the United States—No. 2, pages 242 to 248—state that American industry in 1918—this is quite a way back, but we have no more recent figures, and the principle was just as true before the war as it will be after the war—paid out \$45,548,000,000 in wages, salaries, dividends, bonuses, pensions, compensations, and all consumer purchasing power, and at the same time consumer goods were produced of the value of \$60,366,000,000. In other words, there is a difference of practically twenty billion dollars between total income and total prices. Of that forty-five billions, about five and one-half billion dollars was reinvested in new production, so that cannot be considered as purchasing power in that cycle, and

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as a consequence the deficiency of purchasing power that existed at that time in the United States of America was approximately twenty billion dollars. That is not money which was in someone's savings somewhere; it was nothing other than the prices of commodities which were not monetised. It was not represented by money anywhere. The only way in which the people of the United States were enabled to make up that twenty billion dollars was through issuance of debt money on the part of the American government for public works, bonuses, pensions and so on. The cost of that was the increase of the national debt.

The point I wish to make is that in so far as Canada is concerned in the post-war period we shall have a very similar condition here, since it applies to all countries which operate on the private enterprise system. In that connection I wish to emphasise that the people who have the first claim on the production of any country are the people of that country. The only way in which the people of the United States could avail themselves of the sixty billion dollars worth of goods was to have sixty billion dollars in purchasing power, but they had only forty billions. Supporters of social credit say that this twenty billion dollar difference represents the cultural heritage of the people of the nation; it is that which belongs to them by reason of being citizens in this modern generation. The difference between total income and prices is there by reason of the substitution of power machinery for human effort. The wages of men were displaced by machines, but the prices of the goods continue piling up, and therefore the difference between total income and total prices is something which belongs inherently to the people as a whole, and they cannot acquire it until it is monetised. It is the duty of the state to monetise the difference between total income and total prices and distribute it to the consumers.

I do not think it requires much stretch of the imagination to see Canada, after the war has concluded, producing annually about twelve billion dollars worth of consumable goods. If we compare that production with the deficiency which existed in the United States, according to the figure I have just given, that would mean that Canadians would be short of about four to six billion dollars in purchasing power.

PARLIAMENT

House of Commons: April 26, 1944.

NAVAL BASES (LEASES TO UNITED STATES)

Mr. Rhys Davies asked the Prime Minister whether he is aware that the naval sub-committee of the House of Representatives, at Washington, recently decided to recommend that immediate steps be taken to acquire permanent possession of the bases in the Western Hemisphere leased to the U.S.A. by Great Britain; and if he will give an assurance that such a demand from the Government of that country will not be entertained by His Majesty's Government before Parliament is consulted.

The Prime Minister: I am aware that there has been a Press report to this effect. The House may rest assured that there have been no developments calling for a review by the Government or the House of the existing position in this matter which remains unchanged.

Mr. Davies: Will the Prime Minister be good enough to answer the latter part of my Question? If a request of

the kind mentioned comes from Washington officially, will the House of Commons be entitled to debate the subject before His Majesty's Government accede to such an arrangement; and will the right hon. Gentleman bear in mind his promise that he will not preside over the liquidation of the British Empire?

The Prime Minister: I welcome all the aid I can receive from so valiant a supporter.

Mr. G. Strauss: As the provisions of the Atlantic Charter provide that there should be no annexation without the consent of the population, do not the same provisions apply to British Dominion territories as well?

The Prime Minister: There is not the slightest question of any cession of British territory—not the slightest.

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