

(May 20, 1935)

The Farmer and His Wheat: Basis of Our National Life

By MR. E. W. BEATTY.

PRESIDENT:—Guests and fellow members of the Canadian Club, we are today entertaining an old friend and a very, very great Canadian and we extend to him a very hearty welcome. I know his address will be listened to with very great interest by the members here and by the members of the radio audience. Mr. Beatty.

MR. BEATTY:—In no country is there a more useful chain of societies than that of the Canadian Club in this Dominion. The success of democratic government depends on the efficiency of the means provided for the discussion of public affairs. Societies whose object is to encourage the discussion of public questions perform a service of great value. No one will doubt that the Canadian Clubs are the leaders in this field.

I am becoming, against my will, and from what I have thought to be a sense of public duty, only too regular in my appearance as a speaker in public. Speaking, as I have felt I must, on questions arising out of the difficulties of the times, I find myself exposed to criticism which sometimes becomes acrimonious, and often misrepresents the views which I have expressed. I presume that your kind invitation, and the courteous hearing which I know that you will give me, are but the preludes to fresh criticisms of what I say. For this reason I commence by appealing to you for careful study of what I have said on a matter of public importance, and of some of the rejoinders made by those who disagree with me.

In a series of addresses of which the last was made in

this city somewhat more than a month ago, I have tried to offer a solution of a major problem facing this country. I trust that many of my hearers today have done me the honor of listening carefully to what I have said, or of studying the copies of my addresses which have been circulated, or at least the summaries which have appeared in the press. I trust also that you have read what has been said against the proposal.

If you have you will have learned that I have protested against the continuance of a railway policy which has added three billion dollars to the obligations of this Dominion. You will have learned that this earns me the title of "Public Enemy Number One." Perhaps the member of Parliament who thus describes me believes that waste of public funds is a proper function of government, and that we should proceed to waste more billions on railway experiments. My conscience would not permit me to accept this theory even if it would make me popular with the gentleman in question.

You may also know that I have suggested an end of waste by a plan of operating the two great railways jointly and as efficiently and economically as possible. In its comments on my last address, a prominent Western newspaper, which clearly does not agree with me, describes my plan in these words: "The plan, to put it baldly, is to put the Canadian National in the charge of Mr. Beatty and his officers; and to saddle on this country a railway monopoly managed by parties whose prime concern would be to see that Canadian Pacific interests are given the consideration due to the elect as against those of that unregarded individual, the taxpayer." As the traditions of Canadian journalism do not permit the deliberate mis-statement of fact as a method of controversy, I am convinced that the writer of these words had not at that time read the address which he criticized, nor any of my previous addresses on the subject. In all discussion of the railway problem, I have argued that the ownership of the Canadian National should remain vested in the Government, and that any savings obtained by joint operation of the railways be divided fairly between their owners. If this is not a method of obtaining relief for the

taxpayers of Canada, it can only be that joint operation of the railways would not be the most economical method of providing railway service to the country. This extraordinary idea has been expressed recently by an officer of the National Railways. If it is correct my plan is useless. I leave it to you, as ordinary men of intelligence, to pass your judgment on this point. I shall wait patiently for a retraction of what must have been an unintentional misinterpretation of what I have said in plain language.

These two criticisms of my recent address should show how important it is that the citizens of this country should inform themselves fully of the facts of our national problems if they are to be in a position to deal wisely with them.

It is today more than ever vital that we should have discussion of the problems of the nation and that it should be as public as possible. If I have suggested a plan of railway management which would rob the taxpayers for the benefit of the Canadian Pacific, you should know it. If I base my case on erroneous figures, you should know it. If, on the other hand, those who criticize my plan use personal abuse as argument, or base their criticisms on intentional or unintentional misreadings of my statements, you should know those facts also.

Other critics disagree with my plan, but do not so flagrantly misrepresent my position. Speaking in this city recently, the Minister of Railways, for whom I have much personal regard, discussed, in his usual dashing way, the railway problem. As on other occasions, he opposed unified management of the two railways, and concluded by challenging the supporters of the plan to answer twelve questions which, by inference, embody his objections. As the one who has had the privilege of presenting the plan to the Canadian people, I may be permitted to regard the invitation as extended to myself.

If the Minister will read my speeches on the subject with the same care which I have given to all his public statements, he will find that I have already answered the objections which he has advanced.

Even the most good-humored controversy with the Minister of the Crown in this election year might end in mak-

ing the railway problem a party issue. The railway mess has very largely resulted from too much partizanship, and I plead that, in considering what I have suggested to deal with it, you treat the question as one transcending party boundaries.

With this introduction I shall answer the questions which the Minister has asked. He first enquires whether the amalgamated railways are to be under private or Government control. Each is, in my plan, to remain the property of its owners; the combined system should be managed by a private company, since our experience with management by a company under direct control of the Government has not been satisfactory. Governmental control of rates and service—as complete as needed—would continue.

His second question asked how much saving can be made by amalgamation under present traffic conditions. I have said that it would take five years to complete bringing the railways under unified management, which, not amalgamation, is what I suggest. After that, I believe that we can save \$75,000,000 a year on a normal traffic volume, taking the year 1930 as a normal traffic base. The Minister in his address certainly predicted a return to that level. As we have not yet even begun the process of bringing the railways under unified management, it would be useless to attempt to relate the predictable ultimate economy to present conditions. The details of the economies on which I have based the estimate are spread on the records of the Royal Commission, and cannot be successfully assailed. The Minister is wrong when he says that most of the possible savings have already been made. The reductions in expenses of the two systems have been ordinary savings due to reduced traffic, and economies to meet depressed business conditions. The savings by unified management still remain to be made.

His third question enquires about the division of the savings to be made by amalgamation. The savings made by unified management, after each property had paid its owners net earnings equal to those which would have resulted if the properties continued to be operated independently, would be divided on an agreed basis, with at least one-half going to the owners of the National Railways.

His fourth question is: "How much capital expenditure

will be necessary to effect the physical union of the railways, such as the uniting of terminals, and how will this be raised?" Capital expenditures would be made only where adequate savings would result. These would offer a valuable temporary method of absorbing materials and labor released by unification. The method of financing these expenditures—which would not require much new money—would be apart of the unification agreement.

The fifth question begins "If the Canadian National is to be absorbed by the Canadian Pacific, how much of the present deficit of 50 million dollars is the Canadian Pacific ready to absorb? . . ." Any idea that the Canadian National is to be absorbed by the Canadian Pacific is not a part of my suggestion, so I need not answer this question.

The sixth question enquires what guarantees are to be given the owners of Canadian Pacific securities if the Canadian Pacific is brought under Government ownership. Neither Government ownership of the Canadian Pacific nor guarantee of its securities is a part of my plan, so I need not answer the question.

The seventh question asks if "In the case of amalgamation will the Canadian Pacific put in all its assets (such as steamships, express, hotels and land) or only part of them?" Amalgamation is not a description of my plan. The earnings which each company would draw out of the operated property would depend upon the assets and earning power which would be put in. The less the Canadian Pacific would put in, the less proportion of earnings they would draw out. I have already stated that we would be prepared to put in all those assets which now form part of our transportation system, subject to such modifications as might be mutually agreed upon.

The eighth question is "What is to be done about settlers and industries, and towns and terminals, on lines to be abandoned? Are they to be compensated? If so how much will it cost? Are they to be moved? If so, where?" The answer is that care will be used to avoid any grave hardship. Abandonments would not be considered which would deprive communities of reasonable access to transportation service.

The ninth question deals with loss to those who have located at railway terminals, shops or towns. After time has permitted us to assess the true loss, compensation should be made in individual cases on their merits. Lasting economic relief by solution of the railway problem will far outweigh its minor and passing bad effects.

The tenth question is "As the estimated savings necessarily must be made out of railway operating and maintenance expenses, and as from 60 to 65 per cent. of such expenses are made up of labor, what provision is proposed to provide for these displaced wage-earners until they can be absorbed into other industries?"

I have repeatedly said that the ordinary turn-over of railway labor would, in a short time, take care of most of this, even without the increase in business which the Minister foresees. If necessary, some of the savings of unified management could be devoted to compensation for labor displaced. The improvement in the general economic condition of the country as a result of an end of the present period of absurd waste would be a most effective method of providing for labor displaced on the railways.

Question eleven asks "Should not these questions be answered, or are we to decide on amalgamation, or unification, first and get the answers, good or bad afterwards, Or are we to be stampeded into doing something—anything—anything—going somewhere—anywhere? Has not that been our trouble in the past?" Our trouble in the past has been pretending that it did not matter how much money Governments poured into railway experiments. Let us stop that. I have suggested a plan. Has the Minister a better one? Or is he advocating a continuation of "(going somewhere—anywhere)" which means, in plain words, into national insolvency?

The last question is "Finally, is this the time—at the bottom (or near it) of the financial crisis—for a final decision of this very important question?" We are—I hope—past the bottom of the world economic crisis. We in Canada are far from being at the bottom of the financial crisis if the Minister's plan of Pollyanna optimism is to prevail. This is a far better time to tackle the problem than after a

few more years of compounding deficits and increasing national debt.

I have answered the Minister's questions. I have answered them all before they were asked. Will he answer two of mine?

1. Can labor, or others dependent on railway operation for their existence, be assured of employment, of stability of earnings, or of their present standard of living, if the industry on which they depend is unable to earn a return on the money invested in it?

2. Will a country like Canada prosper if one of its major industries, supporting one-seventh of the population, can be kept alive only by subsidies derived in the final analysis from general taxation?

I am charged with being an alarmist over the railway situation, and the Minister seems to feel that he is an optimist. Is this right? I say that the railways in Canada can be made to run with a great reduction in the cost of the Government — even in these hard times. The Minister says not, but that we must wait for a boom to solve the problem. Who, in reality, is the pessimist?

I have appealed for the tangible suggestions of others as to a railway policy for this country. The Hon. W. D. Euler displayed a willingness to discuss the problem in the light of realities, and sketched the outline of a possible alternative to my proposal. The country, I believe, would like to have him pursue his exploration of the subject, and to have the benefit of his final conclusions.

The only other suggestion recently advanced is that we might overcome some of our difficulties by breaking down the two railway systems into three units, with autonomous control in different sections of Canada. This would do away with competition between rival systems, but apart from the practical difficulties of framing an arrangement which would permit the most economic use of existing equipment, facilities and staff, and of making a fair distribution of the financial overhead, it would seem inevitable that such a division would have a tendency to cause the diversion of traffic from existing channels, would interfere with operation of national trade policies, and would ulti-

mately threaten the transportation set-up on which the development of the country during the past half century has proceeded. If Canada is to remain one nation in an economic sense, it would seem necessary that those who initiate and apply our railway policies should have more than a regional responsibility.

Today, however, I do not propose to deal primarily with the railway problem. I feel a certain relief. It is pleasant for once to avoid the charge that I am a representative of a greedy group of capitalists conspiring to rob the people of Canada of a priceless national possession. In addition I shall on one occasion be able to say that I spoke of something less depressing than a series of national errors which have imperilled the future of our country.

I do not expect that what I say today will escape criticism from those who do not agree with me, but at least I shall have the pleasure of speaking in terms of optimism, for my subject today is the opportunity which lies ahead of Canada.

It is unnecessary to review the economic history of this country in detail. You all know of the steady growth which followed the physical completion of Confederation by the construction of the original transcontinental railway; the hectic and unnatural activity of wartime years; and the great period of expansion which followed the hesitancy of immediate post-war days.

It is yet too soon for us to see the happenings of the years 1925 to 1929 in true perspective, to decide how much of the growth of this country's activities in those years should be regarded as legitimate discounting of the future, and how much as unwise expansion. Whatever the truth, there can be no question that the great break in the security markets of 1929 commenced a series of events which brought the economic progress of the nation—indeed of the world—to a rude and sudden halt.

During the years which have followed, courageous individuals have continued not merely to carry on their accustomed activities but to seek unceasingly for new outlets for their energy and skill. Too much of the national effort of the past few years, however, has been concentrated on at-

tempts to relieve distress by measures which are, in essence, the mere distribution of charity; too little has been given to real consideration of what this country might do in the years to come.

The time has come to turn our thoughts to what we in Canada can do to revive the enthusiasm and optimism which were always the distinguishing characteristics of our national life. I shall attempt today to describe in broad outline the basis of my faith in this country and its future.

We speak of the great change in the world's economic life, which commenced early in the 19th century, as the industrial revolution. Actually it had its origin in such an expansion of the world's arable area by discovery and settlement as to justify the statement that the revolution was agricultural. It is not necessary to remind a Canadian audience that the growth of this nation in the years from Confederation to the Great War had its origin in a vast process of settlement and development of the fertile plains which Confederation and the construction of the Canadian Pacific made accessible to the world. Those were the years of real growth. Experience justifies me in saying that the later period of expansion which succeeded the War, although it was partly based on a renewal of the era of agricultural expansion, contained too great an element of development not based on such sound foundations.

It is not my intention to speak as though agriculture were the only occupation legitimate for the people of this country. Our geographical situation and the distribution of our natural resources make it necessary to maintain a complex economic system. The harshness of our climate, which has contributed no small benefits to our people, has imposed on us the need of maintaining certain standards of living. Our location on the northern border of the wealthiest nation in the world has forced on us the creation of an economic system not too much unlike that of our neighbors, if we are to hold our place in competition with them. This cannot be a country of peasants.

Not in Canada alone, but throughout the world economic progress is essentially dependent on the development of that industry which is basic in its importance to human

civilization. England and other small areas of Western Europe; the great industrialized area of the Eastern United States, may appeal to us as cases of great economic advance not based on agriculture. Not a little of the progress of these communities has come from their trade with great and growing communities of agriculturists in distant areas.

The economic progress of the world during the past century and a half has been largely the result of a period of great agricultural expansion. I suggest to you that one of the most potent factors in checking this progress has been the cessation of agricultural expansion in recent times. A resumption of economic progress must be preceded by a return of the spirit which sent settlers to occupy the unused lands of the world.

Believing this, I feel faith in the destiny of Canada. This country, still possessing great areas of untilled fertile soil in a climate suited for the white races, can only fail to progress if it utterly fails to realize its opportunities.

In these days we spend too much of our time in discussing the division of wealth and too little in planning to increase its production. With certain doubts as to the advisability of many measures now being advocated—especially those which tend to increase governmental interference in business—I am willing to accept the need and the possibility of some measures intended to improve our methods of distributing wealth. It still remains a fact, however, that the production of wealth is the basic method of improving the material position of our people. Nothing is more vital to this country than that we should consider our opportunities for an increase in the primary form of wealth production—agriculture.

Too many people speak of agriculture as though it were a dying industry which could only be maintained by recourse to elaborate plans to relieve its distress. For some years the farmers of this country have faced conditions which might well discourage them. The price of what the farmer sells has fallen faster and farther than the price of what he buys. It has taken an increasing quantity of his product to meet the cost of those services—such as transportation—which he must continue to employ. The diffi-

culty of paying his debts has increased as rapidly as the price of his products fell.

Despite these facts I see no signs that agriculture in Canada faces final disaster. It has taken courage on the part of our farmers to continue their operations in the circumstances which have surrounded them. They have shown that courage and it will be rewarded. The capital and labor employed in the basic industry of humanity must receive rewards at least as great as those of other industries if our system of society is to continue. The correction of the conditions which oppress the farmers is today already on its way, and I believe that it will be automatic and not long delayed.

I suggest to you that the primary essential of recovery in Canada is recovery of our faith in agriculture and that the time has come for us to consider plans for the further expansion of our basic industry.

The most urgent need in this country is a definite plan of land settlement. Almost alone among the nations of the temperate zones, this country still holds great areas of unused fertile soil. Although the rate of increase of the world's population seems to be slowing down, the League of Nations economic survey for 1934 points out that world population is still increasing, while world production of food has remained unchanged since 1929. In a world where these things are true the nation best adapted to increase its agricultural production is to me the nation with the brightest future—and as far as I know that nation is Canada.

I go farther; I suggest that when we have assessed our opportunity to increase the agricultural production of this country, we should renew our effort to attract to this country those immigrants fitted to aid in its development. Let me put it this way. Of the unemployed in Canada only a percentage can be considered as suitable to become farmers. The majority are people of the cities, many unfitted to share successfully in a "back-to-the-land" movement. All those unemployed workers in Canada who could conceivably become successful agriculturists should be encouraged and aided in efforts to establish themselves on the soil. When we have done what we can in this way, we should proceed to seek abroad those who by race, by experience, and by the

possession of a modest amount of capital, seem adapted to become successful settlers in Canada.

Remember that a new farm means employment for at least one more family of city workers. Could we place a hundred thousand more farmers on the land in Canada, I believe that we should provide employment to absorb the idle of our urban centres, and business enough to justify the existency of a properly co-ordinated transportation system, including all the useful portions of the present systems. Nothing less than this will set this country forward again on the path of progress.

I have said that there is no over-production of foodstuffs in the world at large. We in Canada produce more of certain foodstuffs than we consume. This is a debtor nation, however, and bound by this fact to produce for export, and our farms will still be the great source of production for export. While many of our manufacturing industries have won a place in the markets of the world, competition in this field is more acute. There are some raw or semi-manufactured materials which we can produce and sell abroad in quantity. Gold, for example, has an unlimited market. In other metals and minerals we can hope for an increased export as industrial conditions in other nations stabilize. I look for an expanding business in the exports of lumber.

I do not believe, however, that we can obtain the sale abroad of commodities enough to meet our annual balance of payments without not only a continuance but an increase in the production of our farms.

I cannot, in a short address, take the time to analyze the market opportunities for even the major products of our agriculture. Owing to its special importance, I shall confine myself to a brief discussion of the wheat situation.

Wheat has played a greater part than any other commodity in creating the vast system of commerce on which modern civilization depends. Were international trade in wheat to vanish, or even to shrink considerably, the entire transportation and commerce of the world would suffer a shock of great severity.

In the case of Canada, it is not necessary to dwell on the importance of wheat. The case cannot be put better than

by quoting the following figures of the value of our production of wheat. In the five years from 1920 to 1924, inclusive—years of post-war reconstruction—the value of our production of wheat was \$1,647,000,000. In the five years of expansion from 1925 to 1929, inclusive, our production rose to a value of \$2,178,000,000. In the five years of the depression, 1930 to 1934, inclusive, we produced \$760,000,000 worth of wheat.

You in Toronto—a city which, despite its enormous importance in the affairs of the country, has little direct contact with the movement of wheat—should be able to compare these figures with the fluctuations of business in your community, and deduce from them my reason for saying that no farmer in Western Canada is more interested in the yield and price of our wheat crop than are you, the business men and workers of Toronto.

So much has been said about wheat in recent years that I hesitate to add my opinions. I shall do so as briefly as possible. I have never believed that the world faces a lasting over-production of wheat. A temporary state of surplus stocks has been created, partly by the phenomenally large yield per acre of 1928 in almost every country, partly as the consequence of unwise attempts in importing countries to increase their production without regard to cost. In this situation it was inevitable that a surplus of wheat would exist, and that it would accumulate in North America, where alone among the great exporting nations we have the physical equipment to permit of its storage in safety.

Do not exaggerate the failure of this country to hold its place in the wheat market of the world. I have obtained the figures showing the percentage of world breadstuffs shipments, as given by G. J. S. Broomhall, which Canada has exported for some years past. They are as follows:

1922-23.....	41.4
1923-24.....	44.4
1924-25.....	26.9
1925-26.....	48.6
1926-27.....	36.0
1927-28.....	42.0
1928-29.....	43.9

1929-30.....	30.4
1930-31.....	32.9
1931-32.....	26.9
1932-33.....	43.0
1933-34.....	37.3
1934-35.....	28.3 to date

These figures do not indicate any permanent trend to loss of markets by this country. The problem which faces us at present is the disposal of the accumulated surplus whose origin I have described. It amounts roughly to 235 million bushels in Canada. I cannot believe that we shall succeed in reducing this by the end of the crop year at July 31, to much less than 160 million bushels. Reduced as this is in comparison with the figures of the past two years, it still remains very large compared with the carryover of earlier years. The immediate concern which I feel about wheat is with regard to the chances of sales in the near future.

I disagree with those who suggest that it is improper for this country to attempt any measures to protect its wheat producers against fall of the price of their produce to the lowest depths. Wheat is far too important in the economy of this country for us to accept unmoved the prospect of its price falling to the levels where its producers are beggared. I believe, however, that it is equally dangerous for us to believe that we can prevent the price of wheat, as recorded by a great world market such as Liverpool, from reflecting even a temporary condition of over-production, or that we can persuade buyers abroad to pay premiums larger than justified by superior quality for Canadian wheat compared with wheat from other areas. The subject is one of overwhelming importance to this country, and to every citizen. It is to be hoped that our policy will be framed with full realization of this fact. I feel that this task should be given to the best available skill and experience in this matter, and that the most careful examination should be made of the views of our customers, rather than that we should take the risk of drifting into a state of hostility between buyer and seller.

I remain an optimist concerning wheat. Authentic figures indicate that world wheat production has been ab-

sorbed into consumption in almost every recent year with the notable exception of 1928; that in 1934 world consumption exceeded production by a large margin; that the chief importing nations, despite their steady increase in acreage since the low point of the years immediately following the war, have not as a whole done more than restore their ordinary pre-war acreage.

Several importing nations have already abandoned attempts to increase acreage; and many signs point to the permanent removal of the United States and Russia from the wheat export field—justifying Canada in believing that it will be able to hold the decrease in its acreage which has taken place since the war, subject to some abandonment of unsuitable land.

The subject is one far too complex for one man's opinion to be more than that. The world's growth in wealth and commerce has, as far as I can see, had its origin in the steady expansion of the production of basic food-stuffs, of which wheat is the most important. The difficulties of a few years ago do not change my opinion on this point. In all recorded history the world has never known a long continued condition of over-production of breadstuffs. I incline to faith that this will not occur, but that expansion in production of this vital need of men will bring with it, as it has always done, a corresponding expansion in the world's requirements.

We must, of course, in all our products, capitalize the ability of this country to produce the highest grade of food-stuffs. In the end quality will count, and nature has given us the ability to maintain it. Further, we must be prepared, in those fields in which we propose to compete, to do so by sales abroad at current market prices. Such measures as the Empire Trade Agreements may shelter the sale of our products to some extent. They can never be carried to the point where they greatly raise the cost of living in the United Kingdom. Measures such as we are now employing may be used to protect our farmers from too drastic fall of prices. Their limits should be understood. With these provisos, I believe that we can feel that the increase in our agricultural production which we can obtain by wise devel-

opment of our remaining fertile areas will not be checked by lack of markets for our products. Those who feel otherwise must be far more despondent than I am concerning our national outlook. We have created in this country a manufacturing and transportation system which cannot be supported by the present volume of our primary production. That volume must be increased, and I know of no method so wise as that of expansion of our agriculture, where the opportunity still exists.

To use the opportunity which we have been given we must remember that agriculture must obtain rewards such as will justify the farmer in faith in his calling. I think that we are in this country too ready to forget his basic importance. The wages of those who work the land must at least be in keeping with the earnings of other classes. The rewards of capital invested in agriculture must be reasonable in comparison with those of other forms of investment. The balance cannot be established by any method of calculation. It must be worked out as time goes on.

What we can do for the farmer is to remove the unnecessary burdens which oppress him. The cost of government must be kept as low as possible. Despite the fact that little of our direct taxation comes from the farm, it is an economic truth that our basic industries pay all our taxes. No temptation to set up a bureaucracy; no bright prospect of stimulating business by costly public works, should make us forget that these are burdens on the development of the country. No reason for the elimination of waste in transportation is more vital than the need for relief for our primary industries. We cannot refuse railway unification because its economies would involve some sacrifice; the burden which the present system lays upon our primary industries is too great to permit us to accept the pleasant theory of waiting for the times to be better. The essential function of transportation in Canada is to take to market what the farmer produces and to bring back what he buys. However important the other interests involved, waste and unnecessary cost in this respect cannot be anything except a damage to the interests of the entire nation.

My theory of the economic life of Canada is a simple one. Our primary industries produce. The rest of us live

by exchanging our goods and services with the primary producer for his products. The profits of primary production govern the economic life of the nation.

The farmer sometimes says that he lives by farming the soil and we by farming him. The statement contains a crude truth which it will not do to forget. Let us beware lest we place on those who support our economic life a burden beyond their ability to bear.

No one takes more pride than I do in the growth of the cities and towns in Canada; in the expansion of our great manufacturing industries; in the steadily rising standards of living of our people; in the provision for education and public health; in the constant addition of new types of recreation and other amenities of life. I plead only that we do not forget that this whole complex structure rests upon the shoulders of those who till the soil, or otherwise begin the process of using natural wealth for the benefit of humanity.

I am an optimist concerning the future of this country. Could I be one did I not believe that the greatest of our primary industries was still capable of growth and expansion? Can we fail to realize that doubt of this country's ability to expand its agriculture would be an admission—which I for one am not willing to make—that the economic life of this country is unsound?

I believe that the time has come to end the pessimism and doubt which are dominating our national life. No one knows better than I that we must undertake the correction of the errors which we have made. I am convinced, however, that the policy for this country is a forward one. If we have the courage to take the opportunity which lies ahead of us, the development of Canada has only begun.

MR. PRESIDENT:—I think I am expressing the views of every member here when I say that the Canadian Club of Toronto has to congratulate itself upon being chosen as a vehicle by Mr. Beatty for further light upon this very vital problem which confronts the country that he so ably pointed out is a basic one. In extending to you, sir, the thanks of the Canadian Club, I feel sure I am further expressing the wish of every member here when I say we accord you a very sincere vote of thanks and appreciation.