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Some Canadian Problems

BY MAJOR THE HON. W. D. HERRIDGE, K.C.

COLONEL MESS:—In respect to the memory of the late Mr. McBride, Toronto's Mayor, and a member of the Canadian Club, will you please rise momentarily.

(The members rose and maintained a two minutes silence.)

Guests and members of the Canadian Club. We are here today to hear a talk on some of Canada's problems. We are all eligible to enter the discussion, but few have the right, through sincere thought and study of these problems. We expect much and we criticize, but we seldom think. A Canadian industrialist, well known to most of us, was once asked to what period in his life he attributed most of his success. He replied, "To the few years of enforced idleness through ill-health when I had time to think". Our Guest speaker in his earlier years passed through such a period of enforced idleness, and perhaps can lay claim to learning then how to think. That power coupled with diplomatic services, the confidence he has received from statesmen and politicians, and his sincere love for Canada, undoubtedly make him eligible to open the discussion. Gentlemen, I present Major the Hon. W. D. Herridge.

MAJOR HERRIDGE:—Mr. President, Gentlemen, thank you for your very great welcome. I am, indeed, happy and proud to be the guest of this great club.

I have come here to express my views, by your leave, on some questions which concern the welfare of the nation. I shall try to deal with them objectively. What I say, of course, will be without political significance, in a party sense. But I shall break with the tradition that only as politicians, and in their natural element, have we the right to speak our minds upon matters of public account.

I am prepared for the general comment that my talk is singularly inappropriate in these booming days and in this rich city of Toronto. But I believe that the present vaunted improvement in business merely conceals the new and greater troubles ahead. The right sort of national action can alone avert them.

What I say applies alone to Canada. I do not pretend to lay down principles of universal application. I am neither an economist nor an engineer, nor have I the remotest right to call myself a professor. My observations are those only of a working lawyer gravely concerned about the state of his country. Some of them will require amplification and supporting argument. These will come at another time.

Though in these days, Canadians are naturally pre-occupied with their own affairs, there is apparent everywhere an increasing perplexity and alarm over conditions in the old world. From the relative calm of North America we look out upon the conflict of forces which crushes the spirit and threatens to recast the form of Europe. What is happening over there? What underlies the change in political philosophy and in political method? Why is the relationship of Government to the people not as it used to be? Why has the association of states suffered so sinister a change?

What is the cause of this? Is it a protest against an intolerable state of things? Is it the struggle of the nations for self-determination? Is it the people's demand for what they still claim life should mean to them? Is it the universal revolt against want, hardship, unemployment, the insufficiency of life?

This surely is the cause. The consequence is just as plain, and it is tragic.

For in their flight from hideous distress, the old aids having failed them, the people seize upon new means by which they try for economic betterment. Perhaps in a measure, they may gain it. But of what avail is prosperity upon such terms? Cattle in the stock yards are not impoverished. And these people, to abate their material woes, will pay with that which through the long past, they fought so hard to gain; and that's their freedom. For democracy is in retreat. The new political order sweeps in, at the

goose step. A European war will merely emphasize the truth of that. And the pity of it is, that the power which destroyed freedom grew out of the passion for freedom, freedom from unemployment and want.

That is Europe. Is Asia not the same? Thus we see the old world, east and west. And as we gaze, with unctious we thank God that we are not as it is.

But we forget that here, also, there is the motive power which brought about that change elsewhere. For poverty and discontent obey one law. And we are mad to think that Canada lies beyond the scope of it. We will follow where Europe leads, if poverty and discontent continue here. The price of freedom is our capacity now to recognize this fact.

In this upheaval of recent years, in this period of fast change, how have we fared in Canada? We have fared ill, in some important ways. The old sense of security is lacking. The old quiet fashions of life have been disturbed. We seem to be denied the right to plan the conduct of our lives up to the end of them. We think of opportunity as a friend that is gone. Mindful of the past, we have no confidence in the future. We live as if there were none.

Yet change must be good. The world is built on it. Change and progress should be synonymous. Certainly in the change recorded in the lifetime of not the oldest of us, there has been phenomenal progress. The industrial machine has reached a new order of excellence. The relationship of production and consumption has altered fundamentally. Production is now on top. That fact makes possible a higher standard of living. Progress presents an economy of plenty.

For years the speed of the technical advance has been accelerating. Our economic and social well-being have been the growing care of science and invention. Great new wealth has been created. In the new economy, hardship and want are startling anomalies.

And yet, hardship and want remain. The sure proofs of adversity are at hand; the arbitrary and inequitable distribution of wealth; vast unemployment.

Why is the might of the industrial system impotent to adequately serve us? How do we explain the paradox of

continuing want in the midst of abundance? Science has done her part. Then the fault is ours. Can it be that our political society has a new responsibility to our economic society? Should these two now put aside their old game of hide and seek and go to work together? In this new economy, has government a new role to play?

If you say yes, then you will agree that while we are in default, it is unreasonable to expect the economic system to operate efficiently. Rather we should marvel that it does so well.

If science is hampered in the old setting, if the old methods are unsuited to the system's new strength, we should remove these disabilities. If the system is faulty, we should reform it.

The instrument intended for this purpose must function. The present instrument is democracy. Democracy must get results. It must attune itself to progress. If not, it will be cast aside and some other instrument will take its place. Whatever the real merit of the later one, it will be new and so invested with a hope. Would you not clutch it, knowing the hopelessness of the old?

If in recent years, democracy had performed in terms of its ideal, would we now be in these unhappy circumstances? Democracy has been laggard. A faulty economic system puts it on the spot. It must make good. It must prove that the economic system will operate advantageously within the democratic principle. The time allotted for that demonstration, is distinctly limited. When it is gone democracy goes also. The machine runs on and finally prevails. But then it is our master. We become its robots.

Our task then, is the preservation of freedom through the regeneration of the economic system. For there is no place for freedom amidst unhappiness and want. I cannot usefully qualify that statement.

Can we agree on that? Then can we agree as well, upon the means by which want and unemployment may be abolished? There lies the difficulty.

There are those who say that, if we leave the system alone, it will automatically return us to conditions as they used to be. They regard the marked advance of the last year as a proof of the rejuvenation of the old economy and as a full guarantee of the coming of stable prosperity.

There are others who do not believe in the automatic return of good times, and maintain that the economic system needs our help to operate effectively in terms of its present potentialities. They regard the present improvement in business as impermanent and thus in a sense, illusory; and so, ill-timed and dangerous, diverting us from the untouched problem behind its imposing front.

Indeed, upon this issue of economic recovery through economic reform, we may divide thinking people into two groups.

Those of the first group believe in *laissez-faire*, in the old internationalism, in the inviolability of the monetary system, in the unregulated conduct of business, in the non-intervention of government. To them, the last depression is not in kind, distinguishable from any other, and so is terminable in the same old way.

Those of the second group believe that, in this economy of plenty, the futility of *laissez-faire* has been fully demonstrated, and say that seven years of depression is proof enough for them. They maintain that under the methods of the old economy, the industrial machine cannot effectively operate; that in its rapid development the principle of free competition has been left behind; that concentrations and combinations of business have been too much for it and have destroyed the old checks upon prices, wages, costs. In their judgment this means that in the new economy, we must provide the modern counterpart of free competition; and that is, co-operation by the state.

Those of the second group also believe that this change in the machine forces the renunciation of old practices, unproductive of benefit in the present circumstances. They accept as inevitable, the decline of the old system of export trade, and, unwilling to continue at the mercy of ungovernable world forces, resolve to look for salvation a little nearer home. They regard this state of economic nationalism not as the product of human waywardness, but as the natural consequence of aggressive internationalism operating with the might of the power age.

I belong definitely to the second group. I believe that the principle of *laissez-faire* has served its purpose well and that, with appropriate acknowledgements, we should bid it

good-bye. Support it longer and *laissez-faire* will become the deadly enemy of democracy. I believe that we have entered upon a new economic order in which our political society must play an active and controlling part. I believe that co-operation, by the people through their democratic institutions, can alone ensure the realization of the benefits which the new economy is able to confer. For the first time in our history, prosperity is within our own power to determine.

I put the vital question to you. Have we Canadians the right to demand an end to want and unemployment? Have we the right to a high standard of living? The answer is, yes. On a per capita basis we have perhaps the greatest natural wealth of any nation in the world. We have also a high capacity industrial machine and a high capacity personnel. There are none higher. From our natural wealth I believe that we have the capacity to produce much more than at present we consume, and more than makes the difference between our present standard of living and an *optimum* standard of living. That does not mean that we are able to produce everything which should go into a high standard of living. But it does mean that those commodities which we do not naturally produce, are obtainable in foreign markets in exchange for commodities which we can readily produce in quantities in excess of what we require for a high standard of living.

Thus we are a *plus* economy. Prosperity is certain, if we use the proper technique. You may count upon the fingers of one hand, the nations of the world which have the right to make that claim. And yet we follow the methods designed in the days of our dependence, effective always, to withhold from us, our economic independence; effective surely, to destroy our political freedom.

Now, *laissez-faire* had one remedy and one remedy alone, for an afflicted domestic economy. That was the remedy of export trade. Is that remedy still available, and if available, effective? I hold the answer to be: No! twice over.

This is the era of economic nationalism. Is that accident or wilful design? Or is it that the nations' fast increasing capacity to produce inevitably set up resistances

—call them national barriers—against the universal search for foreign markets? Has domestic capacity to produce in terms of domestic incapacity to consume, changed the old order of international dependence into a new order of relative national independence; and therefore changed, as well, the whole purpose and plan of export trade?

Does the new internationalism mean exchange of goods, determined by the requirements of the state, not by the ardour of the producer? Should our trade now move in obedience to a natural normal demand and not feverishly, under the lash of the old profit motive? So it would seem to me. And thus the new plan of trade will be founded not upon the old privateering internationalism, but upon a balanced nationalism whose rough and rude progenitor is the embattled nationalism of today.

Whether the essentials of nationalism will force new national alignments, is another question. Will new Empire and group economies be born? Must the weak go to the strong upon the latter's terms? We need not name the former. Canada is not among them. For this country is pre-eminently designed for economic nationalism in a world of the new internationalism.

But even if we could command unlimited export trade upon the old pattern, would that be the answer to our problem? I do not think so. The economic system's grave affliction calls for an operation, not a stimulant. Has not the increasing power of the industrial machine engendered certain phenomena which have smashed the old means of self adjustment? Does not its huge capacity and infinite complexity make impossible automatic control? Faced with a new order of production, we have devised no scheme of distribution to fully take advantage of it. The result is chaos. To bring order out of chaos, to enjoy the benefits of this superb engine of production, we must employ the final element in the ideal composition of our economy, co-ordination and direction by the state.

But perhaps I press you to the point of disagreement. At any rate, you will admit that our economy is working badly; you will realize how badly, if you compare its present performance with our *optimum* requirements. That is the proper test. For we claim the right to a standard of living

based not upon our present capacity to purchase, but upon our potential capacity to produce.

We hear a good deal these days about the need to tighten the national belt and to cut our coat according to our cloth. We are warned betimes, of the folly of keeping up with the Joneses. Such manner of speech has been made fashionable by those who set the fashions in finance.

For wealth to preach renunciation of the people's right to all we can produce, is something worse than nonsense. It is a suicidal phobia. Change, if not effortless, at least may be ordered and controlled, if its course is smooth. But resistance breeds opposing violence. We will condemn without distinction, violence and the cause of violence.

Why should we mortify the flesh? Why should we countenance hardship? Why should we deny ourselves, when fair and intelligent employment of the system will give us what we need?

If a policy of deflation were right, doubtless we should try to go through with it. And we should fail. For our political integration would not stand the strain. Reduce production to the level of consumption; balance budgets on the basis of a low income; increase taxes, terminate cheap freight rates, federal grants, subsidies, subventions, unemployment grants; and fissures will appear in the structure of our Confederation.

But deflation is wrong, unnatural, and impossible. Here is one proof of it. Upon the North American Continent there cannot be two free and basically Anglo-Saxon democracies whose standards of living are radically different. In all the ways that matter, we must be competitive with the United States. To me, this is axiomatic. There is no other theory upon which we can gain our economic independence. There is no other way in which we can maintain our political sovereignty. We must vastly develop our resources and produce new wealth to satisfy our *optimum* demand. Is there any reason why we should not, except the reason that we never have?

With our economy in distress and with full power of restoration in our hands, why in the name of common sense, do we do nothing? With an economy of plenty offering, why do we continue to reject it? If someone told us that

another people at another time, had done as we do now, we would not believe him. What will reclaim us? What do we need to set us going right?

We need a new national policy based upon the new economic truths; a policy by which democracy may seize the present opportunity to rebuild our economic state upon a higher and securer plane.

We need a new national policy which starts us out afresh upon the road to greater self-sufficiency; a policy which will not leave our welfare to the caprice of a crazy world, but will safe-guard us from foreign threats by the modern and effective means at our disposal.

We need a new national policy which will bind the good in the old order to the good in the new; which will forsake reaction and repulse revolution and espouse reform; which latter is the middle ground between the other two.

We need a new national policy, which will be the people's policy; a policy not sprung from political exigence or class greed, but from the need of the great majority; a policy to which safely may entrust themselves, they whose high ambition is security, a chance for youth, freedom, peace.

Is this a Utopian dream? Not long ago I should have said so. For not long ago I thought as I was taught to think. I had the old style hackneyed view of the road to economic heaven and to economic hell. I differed from the great in politics and finance only in this, that I could not see with them, that there was any road for us to economic heaven.

Now it is different. Now I profoundly believe that we have the power within ourselves, within this country, to put an end to unemployment and to want, to guard against the blows of world aggression, to gain and keep prosperity. If there is the slightest value in anything I say today, it is in the moral of my change of mind, when I began to do my thinking for myself.

How do we bring this national policy into being? First, we must begin to think. Decline the claim of others to do our thinking for us. Forget what they have taught us. For they and we have been co-students in the self-same school of *laissez-faire*. There has been no other. For one hundred years it has dominated the economic thinking of

our leaders in nearly every walk of life. The classical economist has been the boss. Today, that is all wrong. Because the old principle of *laissez-faire* is employable no longer. Oblivious of that fact, many of our leaders still conform in word, try to conform in deed, to its mediaeval teachings.

And we, professing independent agents, pathetically answer yes, to all they say. We are unreal. We look upon this situation as if it were the situation of tomorrow. We gaze upon the present with the eyes and minds of yesterday. When our old faith falters in face of current truths, the exhortations of its high priests easily reclaim us. When our thinking threatens to take us forward, we stop thinking.

Let us break free. Begin afresh; begin at the beginning. Each man his intellectual master. Examine the business of the nation as if it were our own business. We will be amazed how radical is our change of thought. That is inevitable, when we let reason in.

When we confront the economic facts as we do the other facts of life, the need of a fresh ordering of our economic state at once appears. Reform becomes the sure answer to our troubles. We vehemently agree that we must have a new national policy, based upon a sane and ordered plan.

That is a dangerous word for me to use. Orthodoxy startles at the sound of it. And to the cloistered minds of some financiers, it appears as a companion piece to bombs and revolution. Beware! Fascism and communism have each a planned economy. To many of those adventurers who have strayed in thought beyond the confines of strict orthodoxy, that fact's enough. By it their wild excursion is concluded. And they subside again into the murky style of thinking which more than once in history, catastrophe alone dispelled. It is incredible. But it is so; God help us!

But I would submit the view that if democracy does not begin to use its head and plan its course, we undoubtedly shall have the chance to choose between these foreign contributions to the art of Government. Or we may have both, in the order named.

Why are we so timorous about planning our national economic life? We plan all else that matters to us. Is it

unreasonable that we should try to plan our national economy when it fails to serve us as it should? Is that anarchy? Or is it not loyalty to our institutions? And yet we do nothing. To the man on the street, that must sound silly; to the man in want, it must seem damnable.

They tell us that planning means coercion and loss of freedom of the individual, when in fact it means only control and regulation of the machine. Unless we achieve the latter, we may expect the former. Without the planning of our national well-being, there can be no freedom in the things that really matter.

We must be fair and sensible. Constructive planning or reform—they are the same—does not mean usurpation of industry's rightful functions, but correction of its harmful defects. It is the kind of reform which business would approve of in its own business. It is the exact measure of assistance which the system requires to remove all impediments upon its effective operation. It is the means by which the old economy is related to the new. It does not turn this economy into an economy of another name. That's revolution. Reform is all we need. And quite undramatic reform at that. There is no room in it for the dictator and his thunder. They belong to communism and to fascism. And we are democracy, in a last stand against them both.

Why do we recklessly misstate the case? Why do we deliberately confound the facts in issue? No one can believe that this chaos and trouble is our normal state. It is not possible that any at the top hold to the old unchristian doctrine of the survival of the fittest. Though doubtless it is true that the laws of the jungle are quite agreeable to the tiger.

Why do some of the chief beneficiaries of the old system take fright when anyone suggests the examination of it, and move hurriedly to excommunicate the heretic? They really do themselves incalculable harm. Because such bigotry and intolerance must provoke bigotry and intolerance on the part of those who regard themselves as the system's chief victims. And thus we make an issue and turn class on class, when there should be no issue or cause for disagreement. For if we play fair with this country, it will give all its people all they should desire.

The leaders in our business world can be the leaders yet, if they unloose their grip upon the phantom shape of yesterday's ambitions and take hold upon the vital fact of present opportunity. Good fortune in the old order does not mean bad fortune in the new. Because in the new order the old see-saw of violent opposites will be discarded. Chance and mischance will go. Reason will take their place. So when in the new order, big business undergoes a change, it will be a change only into better business; for itself and all the rest of us.

In Canada, Government intervention is not new. It is a long time since industry operated wholly without restraint or aid of Government. The state has acted in many an emergency. For years it has been the wrecking crew of the economic system. But it has never been the pilot engine.

I thus distinguish between Government intervention and Government planning. Planning of a definite and effective type, there has not been. In an amateurish and impulsive way we have lunged at faults in the system and done our best or worst by them; calling the result, reform. But that was not reform. That was merely the infidelity of orthodoxy to itself. It is small wonder that many thoughtful and fair-minded people, unattracted by this travesty of progress, dejectedly resign themselves to continued contemplation of Government inertia.

We have never accepted the principle of planning or acknowledged the need for it. We have never consciously and irrevocably embarked upon a plan. We have never reviewed our economy as a whole, and so, surveyed its powers, possibilities and defects. We have never determined its capacity in terms of our *optimum* demand; nor what that *optimum* demand will be.

This is the case in Canada. Elsewhere it is otherwise. Many nations now operate upon the basis of a comprehensive plan. Others grope their way towards one. None have quite as much to gain as we, from a clear, sound plan. Yet we turn from it, fanatically still the follower of a doctrine that has ceased to be. We are the boy who stood on the burning deck. If our situation were not shot through with tragedy, you might find in it the elements of genuine burlesque.

Now, is there anything in our political state to prevent the operation of an economy, competent to satisfy our rightful aspirations?

Is there anything wrong with our political society which economic betterment cannot remedy? Have we been guilty of any blunder which means a flaw in our confederation? The inquiry is in order. For without political integration, it is impossible naturally, to have economic security, just as it is impossible to have political autonomy without economic independence.

This is a fact which in our loftier oratorical flights, we claim poetic license to ignore. But when it comes to business, I really think we should have more regard to it. By all means, bravely sing of freedom, but also do a little work for freedom on the side. If we continue in our present slavish state of economic dependence, political freedom will be a fiction unsustainable upon the basis of that fact.

Canada is not the product of slow growth. In seventy years we have covered a lot of ground. Some of the disabilities of high speed continue to harass us. Possibly, some of our provinces were not equipped to take their place in the Confederation at the time they joined it. We have certain problems which perhaps suggest the superior merits of a unitary political structure over the one we have. Faults in the federal design there may be. But I am not a good enough lawyer to see any insuperable difficulties in the way of their constitutional correction, when the public interest requires it.

In short, I believe that our political form is alright, if we can give it economic substance. There is nowhere trouble, which a better working system will not cure. The gossips whisper dark tales of secession movements. But they are fantasy and should be dismissed as such. We have worry enough over our real problems without taking on imaginary ones. For if any group were temporarily so insane as to lead a movement towards political sovereignty outside our Confederation, we would take swift steps to stop them. This country will continue indivisible. Its people have joint title to it. And it is unthinkable that any considerable number of responsible Canadians ever could hold a contrary view.

This is not the occasion on which to discuss the elements in the plan to be adopted. By continuing philosophical, I avoid the political. And yet, when we push through the mists of our earlier misconceptions, how clearly come in view many of the faults to be corrected.

For instance, take production. We have two classes of products in Canada; those which we naturally produce and those which we unnaturally produce. The production of the latter should be discouraged, for they are products to be got abroad. The production of the former should be encouraged and raised to their potentially high level. The present level, I believe, is far below the desired one. Reform of production, therefore, means the orderly expansion and not the arbitrary restriction, of industries indigenous to Canada. Restriction of production to our present capacity to purchase, is defensible neither in theory nor in practice.

Such a policy clearly involves a fundamental reconstruction of our protective system. Our natural, basic industries must have complete freedom of development; and for that, a full measure of safe-guarding will be needed. Those basic products, which naturally we produce in excess of our domestic requirements, must go abroad to be exchanged for products which we do not naturally produce. These will have a clear channel homeward. Thus will operate the principle of complementary and not competitive, trade.

The performance of the present tariff falls spectacularly short of my conception of a rational scheme of national safe-guarding. It has penalized natural production and promoted unnatural production. It has burdened the consumer. It has thwarted the exporter. It has aggravated the inequitable distribution of the profits of capitalism. It has distorted our economic life. The only thing which could be worse than that kind of protection, would be free trade itself.

Within the shadow of our tariff wall, some awful things have happened. At times, toll has been levied upon the public in a way which by comparison, makes highway robbery seem an almost blameless occupation. Exotic industries, which normally could not have survived conditions in this country, have been brought into sickly being and nurtured at great expense to the public purse and to the grievous injury of our economy as a whole.

Do not mistake me. We must have protection. It is an integral part of our modern plan of national up-building. Without it, some of our basic industries would surrender to the cheap labour markets of the east. But the old system of protection can have no kinship with the new internationalism. For the old system of protection belongs to the old internationalism and was arbitrarily designed to protect the industrialist against it. It is the ugly off-spring of *laissez-faire*. The new system of protection will be scientifically designed to support the new principle of complementary trade. Then it will mean protection of the public, of labour, of the primary producer, and only of the industrialist in terms of these. And so the tariff comes out of politics and goes into its proper place in the economic system.

When production appears in the splendour of the new economy, consumption must throw off the shackles it need wear no longer. And we must help it to a new enfranchisement. Effective distribution is the way to do so. Our purchasing power must be so increased that it will lift consumption from its present level to its *optimum* level.

Is redistribution of wealth the answer? Would radically lower interest rates and higher taxation do the trick? Would a scheme of co-operative buying and selling have anything to contribute? Would it help, were there to be shorter hours of labour, and a real system of pensions; and complementary to them, a programme of housing and other public non-self-liquidating works? Would Government control of public utilities and energy industries get us out of the difficulty? Must we reform our monetary system to make it a more effective means of facilitating the transfer of goods to the consumer? Should we stop strutting our dollar upon the international exchange and put it to work to build a new credit structure?

There is a proper answer to these questions. When we lay down a plan, the answer will be part of it. Once we decide that the old negative policies, the old inaction and reaction, are the cause of our troubles, once we determine to end these troubles, the means to do so, the technics of reform, a sound and operable plan, will quickly offer. But until we are ready to receive it, I think you must agree that

to propose a comprehensive plan might simply mean its summary defeat. You must be there, to fight for it. And so, apparently, it's up to you. The actual plan is not our present problem. Our present problem is to make up our minds that we will have a plan.

The political factor intervenes. The personal interest protests. The dead weight of past practices forms forbidding barriers across the course of this new thought. Has democracy the will to remove them? Is it able to impose a plan? Has it the strength to compel prosperity? Or will the future look upon the reform of our economic system as a post-democratic achievement?

If there is any good in us, we will answer, no. If there is any pride of race in us, or pride of country, we will answer, no. And that will be the answer, if we have the quality which can build democracy into a unitary force operating with the mechanical excellence of dictatorship and the spiritual power of unfettered minds.

That surely is the case. For the strongest Government is the Government which commands, not the clamorous adulation of a bemused nation, but the thinking support of a people who will not surrender to any Government, the rights and responsibilities of free citizenship.

If all that is true, we must go to work at once. Because there is urgency in the situation. Unemployment is like wine. With time, the quality of it changes. It becomes more potent; more deadly. The quality of unemployment should concern us even more than does the quantity.

The long-time contemplation of want and hardship may have reconciled some people to its continuance. Yet want and hardship are a rotten spot in our society, and in time, assuredly will destroy it.

The nation must march. If we fail to move as a democracy against this state of things, our need will call some other form of Government to its rescue.

What is this movement which stirs and strains throughout great sections of the country? Is it revolt or reform? Is it an attack upon orthodoxy; or a defense of democracy? Is it the struggle to reconcile economic security with political freedom? Though untutored and unskilful, though not destined, perhaps, for quick success, is it not in

its original conception, a movement not to destroy, but to create? Some orthodox groups apparently do not think so. For they accept with complacency the reports presaging failure, and gleefully make ready to receive the chastened rebels back. But they will not be coming back. For people who are driven from old practices by an honest belief in their inefficacy, will not return to them. They will go on, upon unbeaten paths, should the highway be closed; on, it may be, even beyond the horizon of democracy. We have little knowledge of human nature, if we think otherwise. We have a wrong opinion of Canadians, if we believe that they will ever take it lying down.

It is that which makes so reckless the proposal that out of the wisdom of orthodoxy we devise a means by which we may frustrate their foolish projects. I do not for a moment suggest that the schemes at present afoot are sound or can succeed. I think it is true that no plan, even with a definite theoretic content of validity, can be developed unless its economic base is broad enough. In no way do I pass upon the merit of their enterprise. But I do say that when classes in this country or sections of it, sincerely though misguidedly, set up a plan against continuing distress, the only way in which the rest of us can get them to abandon it, is to offer them another plan which works.

And that is our job, today. Let us cease from lamentation and abuse, and come to the rescue of our friends. What they want is security, and if this Canadian democracy is to prevail, we must give it to them. Do not let their unorthodoxy drive us into a more stubborn orthodoxy. If they advance in face of trouble and we retreat, where will we ever meet again? Our course is forward too, along with them. Then no troubles can prevail against us.

Thus unorthodoxy rushes on and struggles with reform, to find it yet beyond its single strength to handle. Meanwhile, orthodoxy rests content, thinking the battle lies behind it.

But when the national ills, controllable no longer, rise like a great sea against the bulwarks of the past, what then of orthodoxy?

At the hour of crisis, when orthodoxy at last goes into action, it will go into action on the losing side. That is

inevitable. For it will have as guide, no modern plan but just an ancient prejudice.

Then there will be hurry and confusion and a call to arms. And out of the turmoil will emerge a coalition of political forces empowered to save the country. And with perverted zeal, these forces will set about to save it by throwing their strength behind a movement in reverse. They will declare the old order to be untouchable. They will oppose change and crush all overtures towards reform. And there will be deflation and balanced budgets upon a low standard of income. The bogie of big business will be dragged out and knocked on the head. The voice of railway competition will be heard no more in the land.

This will be a *defacto* fascist Government and will combine all the futility of the old democracy with all the hatefulness of dictatorship.

Frenzied radical and ruthless reactionary, with all their fearsome works! Are these our only choice? No. There is a middle course: a new national policy based upon the new economic truths, a plan for its enforcement, our democratic institutions strong behind them both.

Here is the cause which may be backed by all of us. Here is the ground on which extremes may meet. This is the rallying point for East and West. Because the wealth of Canada fully, wisely used, will put an end to harmful rivalries. The East and West need no longer strive to reach by mutually repugnant means, a goal denied to both. The old antagonisms of class and place by prosperity will be subdued. Contentment and good will shall be the strong bonds of union of a people who at last have found themselves.

Why then do we hesitate? Why do we not resolve to make this Canada the land which God intended; a land wherein shall be a better opportunity, a fairer division of the rewards of honest work, a chance for youth, safe conduct to their lawful ambitions, full blossoming of the seed of national genius, quiet and comfort in old age, an end to class and race discord; freedom, peace.

We have the power by which all these may come to pass. Why do we hesitate? It is because we have not understood the need for action. When once we do, we

will act as a united people. No crisis yet has found us wanting. In times of peace we may be hesitant, we may be slow. But in times of trouble, vigour, unselfishness, fundamental courage, have been marked up by our countrymen close to an "all-time" high. Canadians are excellent pinch hitters. They are deadly when they are at bay. Show them that freedom is threatened by faults in our economic system, and they will launch a counter attack which will amaze the world. All they need for action is proof of the danger. All they need for victory, is a sight of the enemy.