

turer's profits continue to expand, and the colossal accumulations of capital go on unchecked, unregulated and uncontrolled.

But things and times have changed. Modern progressive nations cannot any longer depend upon their home markets alone for prosperity. The attempt to bring about good times for all by subsidizing everybody has been demonstrated as utterly futile. Equally futile and fruitless is, of course, the isolation which high protective tariffs inevitably create and maintain.

Nations like individuals, whether they are purchasers or producers, need one another. If they buy they must sell, and if they sell they must buy. There is no one-way trade. No tariff, however high, can any longer evade, or even substantially modify, the application of the inevitable requirements of the present interdependence of peoples. Tariffs—high tariffs—are the main cause and the worst symptoms of the present world depression, universal unrest and fear of collapse. Tariffs, embargoes, restrictions will hinder and impede commercial relations of every country and cause financial loss, even ruin to all. All such impediments will render more difficult and more onerous the supplying of the needs of humanity, and will hereafter fail to bring prosperity to the nations which resort to them. Nay, such tactics will inevitably intensify the general depression which has occurred and will certainly again occur from time to time. The imposition of trade restrictions and reprisals has brought forth, and will always bring forth, counter reprisals. Trade wars have not infrequently fomented international wars. To produce war you need more than money, munitions, arms and armies. In addition you must count on enraged nationalism or deep desire for revenge. The most prolific causes of war are the spirit of conquest and economic rivalry.

Only recently Europe could not exercise reprisals say against the United States with regard to many essential commodities, such for instance as wheat, cotton or oil, but reprisals equally serious have now become quite possible, in fact are now being taken by different nations against the United States manufacturers of cinema films, automobiles and machinery in general. Many people in both hemispheres have not hesitated to affirm that the United States of America has largely contributed to the present universal depression, because of its high tariff wall.

The United States is the country which produces the largest quantity of raw material and minerals. Some of its own statesmen and

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publicists have not hesitated to give unequivocal expression to this responsibility of their country in the present crisis.

"Foreign Affairs" for April, 1931, contains an article by a well-known American economist who says, speaking of the tariff of 1930, which I say was an act of almost incredible folly:

That action was an outright contradiction of the interests and purposes to which we seem to be committed. It impoverishes groups of foreign producers who were our customers, and whose efforts in many instances we had directly or indirectly financed. It closes our market, in whole or in part, to goods produced by American interests operating abroad—as when it blocked the movement of vegetables from Mexican farms, financed in San Antonio, and transported on the Southern Pacific to Mexico. By swiftly wounding foreign industry, it intensified the fall in raw material markets, from which all American producers suffered, such as copper, cotton, lead, hides and cereals. Industrial depression abroad weakened the public credit of many of the governments that are our competitors, so that now we wait anxiously to see whether Brazil, Australia, Mexico and Germany can meet their debts.

It would appear that since this was published the same has become true with regard to France, Italy and Great Britain.

Further on he adds:

We would like to seek in isolation a security that seems lost.

This strongly emphasizes the necessity of observing the dictates of the law of economics and of guarding against the evil which now menaces every one of the governments of the day. One cannot escape the conclusion that party leaders in the neighbouring republic have pursued a policy which is not consistent with the interests of its people.

Not later than September, 1930, the American Government became a party to an international accord, which condemned the use of tariff restrictions and embargoes. It signed and ratified the "International Convention for the Abolition of Import and Export Prohibitions and Restrictions." The American Secretary of State wrote to the League of Nations:

The American Government views with approbation any endeavour to facilitate world-wide economic relations, and remove discriminating economic measures, and has for this object signed and ratified the Convention for the Abolition of Export Prohibitions and Restrictions, and has co-operated with other international activities looking to the betterment of economic conditions throughout the world.

This gesture of the United States Government gives ground for the belief that it is now realizing the fallacy of its tariff policies of the last forty years, and the hope that it will begin to reduce substantially its tariff barriers.