

upon by the important newspapers of this country, explained how it had arisen and developed. The world crisis began in the United States. People found from the reports of the industrial institutions that they were increasing their production and their sales, that their profits were large, and their reserves abundant; so the stock mounted. A six-per-cent stock went up to 200, which made it a three-per-cent stock. But that did not suffice, and there seemed no reason why the stock should not go higher. Would not the country develop from year to year, with an increasing population? So the stocks crept up to 225 and 250. But all of a sudden the men who were watching the monthly returns of those industrial companies began to find that there was a little slackening in production, and many foresaw that the quotations had reached the peak, and the time had come to sell, and rapidly the stocks tobogganed down to the figures we all know.

This had its reaction on this side of the line, and we also had our Black Friday. People by tens of thousands, looking at the stocks rising, were becoming prosperous and rich overnight, on paper, and were spending lavishly, and enlarging their domestic budgets. This increased our own production, but when all this excitement died down, and at the same time our crop remained in the elevators, the danger-flag appeared, and the crisis was with us.

The National City Bank Review, speaking of the United States, said that its purchasing power diminished rapidly, and the result was that the Americans curtailed their buying, and those countries that were manufacturing for them had to reduce their prices because of over-production. Now, mark this situation. Here were the people of the United States, highly protected, who had been exporting \$2,600,000,000 worth of manufactured goods, and yet importing \$1,800,000,000 worth, and who found that the reduction of their purchasing power prevented them from buying in foreign markets the quantity of manufactured goods which they usually purchased abroad. As a result, the crisis which had started in the United States developed until it reached the confines of the outside world. Canada was soon in the same situation as the United States, and its purchasing power diminished through the financial crisis, which wiped out hundreds of millions of profits, and through the lack of markets for our Western wheat.

Now the present Government claims that it can reduce imports by increasing the tariff. It has gone about the country asserting that

the \$900,000,000 of imports into this country could be materially reduced by the raising of the tariff. I would point out to the Government that the high tariff in the United States has not prevented the slump. The Government will find that its nostrum will not bring to this country a return of our prosperous days. My honourable friends want to stop the imports of manufactured goods to as large an extent as they can, but they will notice—I hope not for too long a time—that, regardless of a higher tariff, the conditions that now prevail in this country, which will continue if our wheat sells below a dollar a bushel, will bring about a natural reduction in imports, because imports, as well as the domestic trade, are influenced by the country's purchasing power. As I see the matter, my honourable friends will find that the decrease in purchasing power resulting from the reduction in the price of our great Western commodity, wheat, will be reflected in the reduction of our imports. The Government claims that it can provide our manufacturers with more work because, when foreign goods are prevented from coming to this side of the line, a larger quantity will be purchased from our manufacturers in Canada; but this expectation will not be realized if the purchasing power of the people is not increased. It will increase if we succeed in finding a market for our large Western crop.

I will not dilate upon the question of unemployment. I am under the impression that the situation is not as bad as some people are apt to think. I know that in proportion to our population there is less, very much less, unemployment than in other countries mentioned by my honourable friend from New Westminster. A census has been taken, but I do not know its exact value. People who are making a record of unemployment are apt to include all grades, and I should not care to run through the gamut of what certain people may regard as unemployment. There is always a certain amount of unemployment in the land. My honourable friends know that industries sometimes suspend operations in order to reduce their production, and start again a few weeks or a few months later. Some institutions take a holiday and dismiss all their workpeople for some weeks every year. We have also seasonal unemployment, though this would not be the case at present, as we are now in the hardworking days of the summer. The late Government was of opinion that there was not such a degree of unemployment as could not be coped with through the instrumentality of the municipalities and