

for the depression, and that it is forcing the world into bankruptcy. In his interview he says:

Without desiring to be severe, I am compelled by the facts of the situation to state, and to state definitely, that the spirit of nationalism in the United States is in no small degree responsible for world trade depression, as well as for the depression in the United States, and that unless the spirit is changed, both in the United States and in other countries, from that of nationalism to what I may term universalism, that is, the spirit which promotes a policy beneficial to all nations, any remedy of the present situation cannot be found.

The distress in which all nations find themselves to-day must inevitably increase until there is a real danger of both a trade and a credit breakdown. The policy that is being pursued, not only in America but also in Europe and in other countries, is forcing the world into bankruptcy, and with it into revolution. It is impossible to survey the political conditions now prevailing in the world without a feeling of great anxiety. Already, many revolutions have taken place in South America and a good many in Europe, and others will undoubtedly take place if this policy is persisted in.

The remedy is not an effort to be more self-contained, not an effort by each nation to do without the rest of the world, but an increasing effort towards cooperation with other nations in the interests of the common well-being.

Possibly in ancient times there was something to be said for the policy now being pursued when the racial spirit was so strong and nations were in process of formation, but in these days, when the world has become an economic unit, and each nation has for a very considerable period been bringing its contribution to the common wellbeing, it is not only folly but also criminal for nations to seek to go back to the policy that was suitable to primitive conditions. If persisted in, it will bring us to a condition of distress without parallel.

The only possible policy that will carry the nations out of their present troubles into a new and greater spirit of prosperity is a policy of collaboration and cooperation, which will make the whole world still more efficient as an economic unit, which will expand the productive power of all countries, which will expand the trade of all countries, and which will bring universal prosperity.

The effort to go back to the old conditions has already brought great suffering, and the continuance of this effort will intensify this suffering in a manner that no reasonable being desires to contemplate.

The immediate outlook is most disturbing, and it is evident that constructive measures for the rehabilitation of the prosperity of all nations must be taken without delay if disaster is to be averted.

And yet this government is pursuing the very course against which that great economist offered such strong advice. Because of the Hawley-Smoot tariff, the trade of the United States has decreased by over \$2,500,000,000 per annum; and I noticed the other day that Mr. Thomas W. Lamont of J. P. Morgan & Company said:

[Mr. T. McMillan.]

If the foreign trade of the United States is to prosper, it must be made as easy as possible. It is not true that we can do all the selling and the other fellow can do all the buying.

Peter Fletcher, president of the National Council of American Importers and Traders, accused his own country of bringing about a world-wide tariff war. He said:

The matter is urgent, the situation is dangerous, and the future is ominous.

The New York World-Telegram of June 22 stated:

The seven million unemployed are discovering that the tariff which killed foreign trade closed the factories in which they were making a living two years ago.

The merchants are discovering that a tariff which helps cause unemployment leaves customers without money to buy the merchants' wares.

The manufacturers are discovering that a tariff which forces foreign retaliations closes the market abroad which took their surplus production and made their profit.

The bankers are discovering that the tariff which prevents foreign nations from selling to us impoverishes those nations to the point where they may be unable to pay their debts to us.

All these discoveries were made a long time ago by economists and experts in international trade.

After a year of costly experience, business leaders and conservative politicians are now joining in the demand for downward revision.

And yet this government continues along the line which has proven so destructive to other countries of the world. What is our situation at the present time? During the last year there has been a national deficit amounting to \$82,376,427. For the first two months of the present year there has been a further reduction of \$8,205,418. Eighty per cent of the income tax is usually paid during the first two months of the year, and in that period there has been a reduction of 24 per cent or \$13,780,000, as compared with the year before. This is a total reduction in two months of \$21,985,418. Every reduction in the tariff made by the late government brought in a higher revenue. The present government is looking to all quarters for revenue to meet the expenses of the country during the present year, and yet it is following a fiscal policy which will lead it to destruction as far as the obtaining of revenue is concerned.

For these reasons I oppose the tariff bill which has been placed before this house by the right hon. the Minister of Finance. I oppose it because I believe the disposition of the government is such that it will not amend the bill in the manner in which we would have it amended.

The other day I was rummaging through the public library to see what I could find in