

of employment, hoping thereby to reduce the cost of production and obtain an advantage in the markets of the world. This, however, is a vain hope, as the people who cannot buy the commodities produced in their own country because of insufficient buying power, for the same reason will not and cannot buy the goods produced elsewhere.

Another intended result of the tariff policy of the present government was to attract foreign capital—of course to the benefit of the country. That always seemed to me a peculiar kind of reasoning. On the one hand we raise the tariff to shut out competition, and on the other hand we beckon to our competitors to come in to continue the competition—and of course send their profits to the countries in which their head offices are situated. I think it is pretty generally admitted by every thinking person to-day that the industrialized countries of the world are overequipped with production machinery of every sort, and that any further agricultural or industrial development without increasing purchasing power will only intensify competition and add to unemployment. If the people of Canada produce more than they can consume individually, for the reason already stated, and if the people of the United States, France, Germany, and of all other countries produce more than they can consume individually, for the same reason they cannot consume these commodities collectively, even if the circulation or passing of commodities from one country to another be as free as air. You cannot increase trade except by increasing the power of the masses of the people to draw on the products of industry.

The Liberal amendment suggests a change in the tariff policy, which change I suppose would be a reversion to the policy of that party up to the election of 1930. The depression set in in the fall of 1929, after the Liberal party had been at least seven years in office. If they were not able to stave off depression during that time, by what logic can we suppose that what they could not prevent then they can cure now? Of course, it seems reasonable to me that the power to set the prices of imports for duty purposes, as at present exercised by the Minister of National Revenue (Mr. Ryckman), is a detriment to trade; but at the same time I submit that the root causes of the depression are so fundamental in character that the removal of surface irritations, such as the tariff or its regulation, will not have any effect in removing those causes. I have said in this house before, and I repeat it now, for it cannot be stated too often, that the world depression is not due to the fiscal policies of governments. In my opinion it is due to defects inherent in

the system itself. If it were due to fiscal policies, surely there is somewhere in the industrial world to-day a government that would have sense or business ability enough to carry on its affairs without being affected by the conditions that are now prevailing. If it were in the power of government to prevent or to overcome this depression, I am sure that there is enough business ability in the ranks of the present government to do that, and that there was enough business ability in the ranks of the preceding government to have prevented it. But in my opinion it is due not to the fiscal policies of any government, but to the inherent defects in the capitalist system itself.

I pointed out a moment ago that when a person entered industry he did so on the understanding that he would produce for his employer more than his employer paid him in wages. Now, what he produces for his employer over and above what his employer pays him in wages is termed in political economy surplus value. And surplus value is the life blood of capitalism. So long as this surplus value can be put back into industry as new capital, then capitalism can and will continue; but the moment that surplus value cannot be put back into industry as new capital, that moment capitalism will languish and die. And that moment has arrived. Very little new capital has been invested in industry in the last few years. Let me point out to those who tell us that conditions will improve and that Canada will come back on a high tide of prosperity very shortly, that unless new capital can be put into industry in such measure as the world has never known before, prosperity will not return. In its growth, capitalism has materially changed the social relationships between man and the methods of satisfying his needs. It has placed the means of production in the hands of a few, and in doing so it has created a huge propertyless population without the means or the skill to produce its sustenance from nature, as our more primitive forebears have done. In the last one hundred and fifty years the world's population has increased manifold. The large majority of the world's peoples are congregated in cities without contact with the soil out of which life can be sustained.

In face of the present situation, a world well equipped with industrial and agricultural machinery which cannot be used, a farmer class that is crushed with a burden of debt which it cannot pay, and a superabundance of produce that it cannot dispose of, and an ever-increasing army of unemployed, the Liberal amendment is no solution.