

The effect of these policies has been shown particularly in the matter of trade. It is with respect to trade that we get at fundamental facts in connection with a country's progress. The trade figures which I shall give in a few moments will indicate the extent to which the policies of hon. gentlemen opposite have been directly responsible for the dislocated condition in which things are to-day. Before I quote the figures, however, I wish to read what was said from this side of the house in reference to the policies of hon. gentlemen opposite at the time those policies were introduced and again at the last session. At page 16 of Hansard for the year 1931, will be found reference to the policies then being introduced, and a statement as to their probable effect. At that time I said:

The great question in the course of this session and this parliament is going to be whether the policies of hon. gentlemen opposite will serve to promote or to cripple the trade of the country. I believe it can be shown that the most serious of all the results of the policies of hon. gentlemen opposite will be the very certain contraction in trade that we shall find on all sides, a contraction that will affect all classes; whether they be employers of labour or employees, whether they be the heads of large industries, transportation companies, financiers, wholesale merchants, retail merchants or others, all are going to feel the effects of the contracted trade of this country as a result of the policies hon. gentlemen opposite are putting into force.

I ask if that prophecy has not been fully fulfilled. May I continue with a reference to be found at page 54 of the same volume:

May I state further that already we are beginning to experience—

And this was as a result of policies inaugurated at the special session.

—in a very critical way the effects of the policies of hon. gentlemen opposite as put through at the last special session. Look at the figures on trade and see how trade is diminishing. Look at the figures with respect

to national revenue and see how the national revenue from customs dues is shrinking. Wait until the budget comes down and see what the additional taxation will be. Already we can see the effect upon the western farmers in loss of purchasing power. The western farmers not being able to sell their grain, and the producers generally not being able to get rid of their surplus products, where are we going to get the purchasing power to stimulate our industries? It may be true that here and there, where a protecting wall has been thrown around an individual industry, there has been created a temporary boom. That undoubtedly happens, and will happen in certain cases where competition from without is suddenly checked. But what takes place after the point has been reached where there is no one to purchase the products of the industries thus artificially stimulated? When the demand falls off, what will happen to the transportation companies, the banks, the wholesale and retail businesses of the country? What is to be the lot of every householder in the land when we experience more contraction in the trade of the country?

That was said at the last session of parliament in reference to the policies of the previous session. I repeat it concerning the policies of this session. The effect has been and will again be felt through a reduction of trade, felt in regard to revenues, in regard to taxation, in regard to debt, in regard to unemployment. As to the significance of the balanced budget I shall have a word or two to say in a moment. I will also make a statement as to the significance to be attached to the so-called favourable balance of trade.

So that there may be no gainsaying the exact position, I should like to give the figures with respect to trade for the last three years. These figures are taken from the National Revenue Review for the month of April. First I shall give the figures for the fiscal year 1929-30, then for the fiscal year 1930-31, and then for the fiscal year 1931-32. I shall read only the totals, but with the permission of hon. members I should like to put the figures on record in tabular form.

	Fiscal Year 1929-1930	Fiscal Year 1930-1931	Fiscal Year 1931-1932
Imports..	\$1,248,000,000	\$ 906,000,000	\$ 579,000,000
Exports—			
Canadian..	1,120,000,000	799,000,000	576,000,000
Foreign..	24,000,000	17,000,000	11,000,000
Total trade..	\$2,392,000,000	\$1,722,000,000	\$1,166,000,000

What is the significance of these figures? They show, Mr. Speaker, that since the present administration has been in office during the last two years—and I shall give my reason for confining the statement to the present administration—the trade of Canada has been more than cut in half. That is a tremendous

[Mr. Mackenzie King.]

cut. I repeat, the trade of Canada has been more than cut in half in that short period of time. I put the whole responsibility on the present government for this reason. It was at the special session that these high tariffs were first imposed. It was at the last session of parliament that further increases were made in