

total trade, and that instead of \$2,455,500,000 our total trade amounts to only \$938,400,000.

The government draws attention to the increase in empire trade. I have found the figures for which I was looking a moment ago. Let us take the figures of empire trade for the fiscal year 1929-30 and compare them with those of the fiscal year 1932-33. There is a decrease shown amounting to \$157,500,000. For the fiscal year 1932-33 Canadian exports to empire countries exceeded those for the fiscal year 1931-32 by \$3,000,000, but the exports to foreign countries—and that is what has to be taken into account when you are looking into trade matters, not only the exports to other parts of the empire but the exports to foreign countries as well—declined during the same period by \$105,700,000. So we have over a given year an increase in our exports to empire countries of \$3,000,000 and a decrease in our exports to foreign countries of \$105,700,000. Since the present administration came into office the reduction in exports to foreign countries is practically equivalent to the total volume of our exports during the fiscal year 1932-33.

I come now to the figures in regard to the direction of Canada's export trade as between empire and foreign countries. The government is fond of indicating an improvement in the direction of trade, as though to say, if we increase our trade a little towards empire countries, it does not matter how much our trade falls off with the world in general. Here are the figures. For the fiscal year ending 1932, Canadian exports to empire countries comprised 38 per cent of our total exports, while Canadian exports to foreign countries made up 62 per cent of the total. In 1933 Canadian exports to empire countries totalled 46.9 per cent, while exports to foreign countries amounted to only 53.1 per cent. But it is the total trade, not the direction of trade, that matters. Suppose you destroy our entire foreign trade; then you can make your showing, so far as empire trade is concerned, even more spectacular, and that is exactly what hon. gentlemen opposite have been doing. In order to attempt to make some showing under the United Kingdom-Canada agreement they have been prepared to sacrifice foreign trade. Let us take the figures and analyze them. I venture to say that the very opposite to what is claimed in the speech from the throne is the case. In the nine months ending December 31, 1932, Canadian exports to empire countries totalled \$176,800,000. In the nine months ending December 31, 1933, they totalled \$209,700,000, an increase of almost \$33,000,000. Those are the figures on which the government bases its statement that trade

[Mr. Mackenzie King.]

is improving between Canada and empire countries. But, if you consider the value of the Canadian dollar in terms of gold in the one year and contrast it with the value of the Canadian dollar in terms of gold in the following year, you will find that, instead of an expansion of trade, there has been a contraction of trade.

The only way in which a fair estimate can be made at all, is to have the same measuring stick for both periods. In November, 1932, the Canadian dollar in terms of gold approximated 87 cents. In November, 1933, the Canadian dollar in terms of gold approximated 63 cents. This is not a weighted average, but it does give some indication of value. If these values of the dollar were taken as approximately correct, in terms of uniform measurement the figures would be as follows: For the nine months ending December 31, 1932, Canadian exports to empire countries totalled \$153,800,000; for the nine months ending December 31, 1933, Canadian exports to empire countries totalled \$132,100,000, or a decrease of almost \$22,000,000. So the so-called substantial expansion of Canadian-Empire trade over the preceding year proves, upon analysis, to be a substantial contraction.

Those are the figures, Mr. Speaker, that I think ought to be read in connection with the statements that appear with regard to empire trade.

There is one other statement, however, to which hon. gentlemen opposite have been referring; that is with reference to the favourable balance of trade. A favourable balance of trade may mean one thing or another, according to conditions. At one time the Prime Minister himself said that he did not think it was a fair index, but I notice that with the small favourable balance in the greatly contracted trade that has occurred in the last year or two, hon. gentlemen opposite are quoting the favourable balance as evidence of the prosperity we are said to be gradually approaching if indeed it has not already been reached. When considering trade figures and ascertaining favourable balances, to get a correct impression of how they bear on a country's condition we must take into account the amount of the total trade as well as the amount of the favourable balance. In eight of the eight and a half years during which the Liberal administration held office, there were favourable balances, but those balances were not small, and what is more important they were not shown on the small amount of trade of the