

*Australian Treaty—Mr. Bennett*

of America. Do you mean to tell me that any country with a population and rich resources such as Canada has should be buying one billion dollars' worth of goods a year from the United States? Do you mean to tell me that that sort of thing would be at all possible if this country were doing its duty to its own citizens? The hon. gentleman referred this afternoon to what had been done by other countries and pointed out the favourable balance of exports over imports. I might point out to him and to this house that the real truth is that the favourable balance of trade of the United States, amounting as it does, in some years, to billions of dollars, has laid the foundation for their vast accretion of material resources that has enabled them to expand their foreign trade to every part of the world and to meet competition on terms that have driven many of the former competitors out of those markets.

Mr. YOUNG (Weyburn): What do they take in exchange for all these goods?

Mr. BENNETT: Gold. I wonder if the hon. gentleman knows that the adverse balance of trade of other countries with the United States is compensated for in gold, and that to-day the United States is the largest depository of gold in the world, which furnishes the basis of a national credit unequalled in the history of finance.

Mr. STEWART (Edmonton): My hon. friend does not contend that this all came from their foreign trade?

Mr. BENNETT: Does the Minister of the Interior (Mr. Stewart) not know that the major part of it came from foreign trade during the great war, from exports paid for in gold, which meant a surplus of exports over imports?

Mr. STEWART (Edmonton): Exactly. I agree with my hon. friend now.

Mr. YOUNG (Weyburn): What effect did all this gold coming into the United States have on prices and on the cost of living in the United States?

Mr. BENNETT: As the hon. gentleman has raised the question of the cost of living, let me tell him that the cost of living in Canada to-day has reached the figure of 160 as compared with 100 for pre-war prices, and the cost of living to-day in Canada is higher than in the United States. That is the fact. What is more, from January, 1922, when this government assumed office, the figures supplied by the Labour department last month show that the lowest figure was 155, 100 being

[Mr. Bennett.]

the basis, and the figure is now 160, whereas in the United States there has been a greater diminution in the cost of living in those years than in Canada. Further, there has been a higher standard of living in the United States than in any other country in the world. There are no 25-cent an hour men working for the United States of America. What is more, the production of wealth in the United States is higher than in any other country in the world of which we have any record.

Mr. YOUNG (Weyburn): Do you mean the per capita production?

Mr. BENNETT: Not the per capita production of new wealth, but the largest production in percentages. The hon. gentleman knows that. If it is desired, and the Minister of Finance (Mr. Dunning) seems to think it is, to have a favourable trade balance, which has been the basis of the accumulation of the national wealth of the United States, a very large volume of the gold which furnishes the basis of unlimited credit has arisen because of the surplus of exports over imports. I wonder if hon. gentlemen saw the figures of last year's trade balance. I wonder if the Minister of Finance realizes, as some business men on that side of the house must, that this Dominion last year took nearly one billion dollars of the export trade of the United States; for what was to us imports was to them exports. While we were creating an unfavourable trade balance for Canada, they were creating the greatest favourable trade balance of any country in the world. These are the facts; we must look them in the face. The day of theories, of platitudinous reference to dictionaries and old historic volumes on free trade are a thing of the past. We are living in the realm of realities; we have to deal with actualities. When I read the observations of the Minister of Railways and Canals (Mr. Crerar), I realize that it will not be the great apostasy of which the hon. member for Lisgar (Mr. Brown) has spoken so learnedly that requires discussion; it will be something worse than that. I agree with the hon. member for Macleod (Mr. Coote); I am not concerned in the argument between these two rival factions as to which side of the house they should sit on. It is quite within the competence of the hon. member for Lisgar and his friends to associate themselves with the government of the day and thereby abandon their former friends, if they wish to do it. That is only a matter for history; it is not a matter in which we have any deep concern. We leave it at that. But it is not