

My hon. friend used a very vague phrase when he said that the adverse balance of trade was "mirrored in our currency". I do not exactly know what he meant. I think I can guess that he wanted to attribute our adverse exchange on the dollar to our adverse balance of trade. Well I want to tell him that he will not find economists of high standing agree with him in that particular. If hon. gentlemen want to understand this question, let them get out of their heads confused thinking upon this subject. The excess of our imports from over our exports to the States is due to the fact that we are borrowing too much money as a nation. The adverse exchange on the dollar is due to the fact that in the States they are nearer a gold basis than we are; in other words, our currency is more inflated than the currency of the States.

Now I come to another point which I think is following closely on the remarks of the Minister of Finance and logically following up this question, and I want to ask the House and especially my hon. friend from Macdonald (Mr. Henders) this question. I know that he knows it well. Why, he has taught me some things about it so far as Canadian tariffs are concerned. If I may say so, my trouble with my hon. friend in fiscal matters just now is to get him to do as well as he knows, but I am hoping for improvement this afternoon and that he will vote for this resolution. If I were asked: What would be the effect, as far as it has any effect, upon the balance of trade of this reciprocity agreement going into operation, I should say that the chances were that it would improve that balance, for the reason that we are in a very much better position to produce an excess of natural products than is the United States. The States is naturally becoming more and more a manufacturing country; we must be for many years a nation that produces a large surplus of natural as opposed to manufactured products. Therefore I say to get a free market and to keep a free market for our natural products in the United States is a certain way of enriching the agricultural population of Canada by providing them with a larger market for their products, and through the agricultural community of enriching the whole nation, increasing the national wealth and the national prosperity.

I think that that really covers the two questions the Minister of Finance addressed to us by way of argument upon this question. He went on to refer to a possible result of this agreement being put into effect

along the line of influencing duties upwards. I would just like to say in a sentence, that if the agreement were in effect to-morrow as between the two countries, it would fix a maximum rate, but it would not in any way hamper the freedom of each country to alter their tariffs as they might deem advisable. I do not think it would have that effect for one moment. It would fix a maximum rate, but would have no effect in the way of binding us in the matter of a minimum rate.

I support this resolution on these broad grounds. I do not want to make a budget speech on this occasion. I reciprocate and re-echo very gladly and very enthusiastically the sentiment expressed so tersely by my hon. friend from Shelburne and Queen's when he said that both these great nations would get along much better if they traded more freely. I congratulate my hon. friend upon giving utterance to such a statement, because, by implication, he declared that all the nations of the world would get along better if they traded more freely with one another. He gave utterance to a great truth which has been recognized not only by economists but by humanitarians, that if you want the nations of the world to give up fighting one another there is no surer method of conducing to that result than by getting them to trade with one another. No individual, if he is normally constituted at all, ever thinks of going into the house of a good customer and killing that customer. He wants him to live long and to thrive and be prosperous, so that he can share his prosperity by trading with him. Restriction on international commerce, my hon. friend said, by implication, is an injury. Generally speaking, all artificial restrictions of men are injurious to them. Freedom is the thing that is worth fighting for. Freedom is the thing that men have died for in all generations of human history, and commercially both nations would be affected in the best possible way by an increase of their commerce with one another.

Now, I would just like to say one word more, and that is that I at any rate—and I think others near me will agree with me—consider this resolution a somewhat infinitesimal contribution toward the lowering of tariffs, and I should like to couple that expression of opinion with the hope that the resolution does not point to the high-water mark of fiscal zeal on the part of the official Opposition. I trust they remember the fact that the world moves on and that this is 1921, and not 1911. I trust