

Mr. MACKENZIE KING: Will the Prime Minister permit a question?

Mr. BENNETT: Yes.

Mr. MACKENZIE KING: Is it possible for all countries to have a favourable balance of trade at the same time?

Mr. BENNETT: I am coming to that. This afternoon the right hon. gentleman was greatly interested, apparently, in other countries. My concern for the moment is for the country I have been elected to govern. When he asks the question which he has just now put—"is it possible for every country to have a favourable trade balance?"—I say that is not a matter about which I am concerned at the moment, so long as I can see that my country is properly attended to. That is my point. That is what Hon. Walter Runciman said when he imposed tariffs against importations ranging from 50 to 100 per cent. That was his position. That is what he is doing for England, and what he is doing for England we are doing for Canada. The only difference is that we did it first.

I ask any hon. member of this house to go and tell his constituents that he is in favour of a policy which will commit Canada to larger obligations abroad, which will have to be paid either in goods or in services, or with gold. When the goods and services fail, as they do, there is only one way payment can be made, and that is with gold. Gold can be got only by borrowing or by fresh capital coming into the country. Go back and tell your constituents that. Go back and tell them that you sat through a session of parliament and voted and worked for the purpose of seeing that your country owed more money abroad, and in the end became insolvent. Go and tell them that.

Mr. SANDERSON: We will tell them what the right hon. gentleman said during the campaign of 1930.

Mr. BENNETT: I will admit there are some hon. gentlemen who are incapable of understanding that, but for the moment I am not addressing them.

Some hon. MEMBERS: Oh, oh.

Mr. BENNETT: I have now indicated the position of this country in 1930. I have shown the position that other countries have adopted. France accepted that principle and adopted it. Here is the real crux of the problem: if every country imposes tariffs against the other the difficulty to pay obligations that are due abroad becomes increasingly great.

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Some hon. MEMBERS: Hear, hear.

Mr. BENNETT: That is true. But we have no power to control the tariff of the United States, nor that of France, nor of Spain, nor of Italy, nor of other parts of the world. We know they have imposed tariffs against our goods and that they are competing with our production by making the same goods that we ourselves are making. Now, what happens? If they raise their barriers against our goods going into their country we cannot pay in goods for any goods we buy from them; we have to pay them with the proceeds from the sale of our goods elsewhere.

Mr. SANDERSON: Couldn't you blast your way in?

Mr. BENNETT: That is what we are doing. But let me go a step further. If all the countries in the world are unwilling to buy the products of one country, and seek to dump their products in that country, is there here a man who would not take the steps necessary to protect his country against them? Is there one who would not?—except the member for South Perth (Mr. Sanderson). Is there any other one who would not?

An hon. MEMBER: Lots of them.

Mr. BENNETT: I do not believe there is an hon. member in this house who, finding other countries without question raising barriers against the products of this country, would say that this country should be an example to all Christendom—take down our tariff barriers and let there be dumped into our markets that which is produced abroad. I do not believe it. But that is what it means.

An hon. MEMBER: Oh, no.

Mr. BENNETT: Just that and nothing else.

Some hon. MEMBERS: No.

Mr. BENNETT: Hon. gentlemen opposite can shake their heads about it for a week, it will not change the fact that that was the condition that confronted this country. Let me give an illustration. Complaint has been made that we have by orders in council protected this country from that form of economic loss. It is true. Complaint has been made that there were changes in these orders in council from time to time. That is true. It had to be true, because the price at which the foreigner would sell his goods in these markets was anything he could get