

floated hundreds of companies with shameful financial structures. The Canada Power and Paper episode has passed off without one single word of explanation. The speculation which was rampant a few years ago was deliberately encouraged by certain groups in Montreal. Politics utterly disgust me. I certainly believe that Mr. Bennett is doing the very best he can: I have a very high regard for him. He is not saving himself, and I do not think it is his fault that matters are not going on somewhat better. We never will get out of the difficulties we are in in Canada unless we get more external trade. There is no use in raising things and producing goods unless we can sell the things raised and produced, and that is exactly what we are not doing. Our trade in this area should be three to five times what it is, and yet when it is examined into carefully and facts are applied to Canada, we find our cost of production too high to compete with some other nations. I could mention a dozen articles, but take some, such as certain dairy products like canned milk, our paper products, our apples, and certainly our wheat and wheat flour. For the past two-and-a-half years I have thought of little else than extending trade in this area of the world, but every article I take up for more intensive examination I find myself more and more discouraged. If we are to succeed in competition with the rest of the world we must revise our ideas in Canada very materially.

As to the frightful railway mess we are in, you will not forget that when I was in Parliament I shouted as hard as I possibly could as to the extravagances we were then indulging in. It is unfair, however, to say (as some have said, though I have not heard you say so) that the present position is due to the previous Liberal administration. But that again is a long story.

As to the Imperial Economic Conference, between ourselves I am afraid of it. From all I can read in the Canadian papers I fear the approach is not such as to render it a success. My own feeling as regards the Conference is that not enough thought and education has

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