

mumbling his objection has not been convinced of that, it is hopeless to try to convince him. My point still stands that if Canada got a blow, she received it because she stuck her head in one spot and refused to remove it out of the road of the blow. Let me say next that the condition by which Great Britain slipped off the gold basis was the relentless logic of the sound money theory that is advocated by this government. Great Britain did not choose to go off the gold basis. On the contrary a national government was formed and elected by the people to keep her on the gold basis.

Mr. CHAPLIN: Does the hon. member argue that Canada remains on the gold basis?

Mr. IRVINE: That is another question which I shall be glad to take up at another time.

Mr. GARLAND (Bow River): The Prime Minister says it is on the gold basis.

Mr. IRVINE: Canada is hanging by her fingertips on to the gold basis, a condition of affairs which leaves us in a worse position than if we were completely off it. But the folly of this cannot longer be doubted. The unequivocal declaration of the Prime Minister yesterday about our adherence to sound money means nothing other than to hang on to the gold basis and, if possible, to hunch up on it a little further than we are. I say again that the sound money theory was the cause of Great Britain going off the gold basis, so what arguments can be set forth in favour of the sound money theory which plays such tricks as the Prime Minister said that it played on us when Great Britain slipped off the gold basis?

Let me also emphasize what was brought out clearly last night by the hon. member for Acadia (Mr. Gardiner). There are, by the way, seventeen countries that are off the gold basis to-day and that are working in harmony on the pound sterling basis. Those seventeen countries have not met with destruction. As a matter of fact Great Britain borrowed enormous amounts of money from France and the United States to enable her to stay on the gold basis, and after she went off the gold basis against her will, she found this so profitable that she was able to pay off those loans in New York before they became due. I would ask the Prime Minister to inquire from Great Britain how, when they were off the gold basis, they could pay their commitments in New York, indeed when they were further off the gold basis by a long way than

[Mr. Irvine.]

we are now, without apparently losing anything to hurt. There must be some way of doing this. Great Britain did it.

Mr. SPENCER: She got gold.

Mr. IRVINE: That brings me to the next point, that the best way to get gold is to go off the gold basis. As soon as you go off the gold basis, people outside this country can buy goods cheaper in Canada than anywhere else, and therefore they buy more of them. The result is that we can afford to ask for gold in return for the balance of trade and so if it is more gold that we desire, the way to get it is to abandon the gold basis. Canada, in spite of all these facts, is apparently putting the gold basis before the empire. I would draw the attention of hon. members to statements made by Mr. Darling who is an eminent British banker, who, in a statement published in this country a few days ago, called attention to the enormous amount that Canada has to pay every year in interest in New York. Then he pointed out that the government's policy of holding tenaciously to the gold basis would openly challenge empire solidarity. One can readily see that the results of the Imperial economic conference have affected trade favourably—at least I hope so. But the difference in exchange will more than wipe out any advantage possible in a trade arrangement with Great Britain. For instance, if an Australian sells a steer in Great Britain for £10 he receives in return approximately \$60. If a Canadian sells a steer in Great Britain for £10 he receives only \$40, or less than that. Tell a Canadian farmer that we are standing for sound money, but that he is being cheated of \$20 on the selling price of a steer, and see what he says. Consider the matter from a political if not from an economic point of view. Farmers will not stand for that sort of thing; they will say, "To hell with your sound money; we want to sell our goods."

Mr. GARLAND (Bow River): And they are saying it.

Mr. IRVINE: I am not saying exactly what they say, it might not be parliamentary. As my forty minutes have almost expired let me conclude by saying that apparently the government intends to retain the gold basis. Gold is only one commodity; it is so scarce that it cannot function. It is very hard to find, and there is not enough of it. As one commodity it can be cornered by one nation, and under such circumstances it would be impossible for our financial system to function. That is what is called a sound money system. We stand for a money system based upon the