

ness that has been secured by the various commercial trade agencies of the government in all parts of the world. This deals with the increase in the value of business, or the new business secured in the agencies established at the following places: Athens, Batavia, London, Bristol, Liverpool, Glasgow, Dublin, Oslo, Brussels, Hamburg, Milan, Paris, Rotterdam, Melbourne, Auckland, Calcutta, Port of Spain (Trinidad), Kingston (Jamaica), Rio de Janeiro, Havana (Cuba), Panama City, Lima (Peru), Mexico City, Buenos Aires, New York, Shanghai, Hongkong, Tokyo, Kobe, Cape Town and Cairo. In all these places substantial new business has been obtained by the trade agencies of the government, and it shows for the year in the 603 established agencies new business valued at \$11,000,000. All this indicates the efforts being put forth by the government and its officials abroad, and the results being achieved.

Now coming to the question the right hon. gentleman asked a minute ago. He asked if we had any evidence to show that there is a general increase in business. I do not say that there is an actual increase in all our business, or in all our exports. But I have here a calculation made for me by the Bureau of Statistics which indicates that the fall in the volume of our trade as compared with 1930, is only five per cent. I refer to the total exports to all parts of the world. This, I think, is a creditable showing. The calculation is based upon this premise: I include in the statement, in both instances exports only, that is in the 1930 price and in the 1932 price. We take the volume of business in 1932, and measure it by the price level of 1930, or apply to the volume of business in 1932, the price of 1930. Revaluing the 1932 exports at the 1930 price we have this result:

Exports	
1930.. . . . .	\$895,000,000
1932.. . . . .	840,000,000

Or a decline of \$44,000,000 or about five per cent. That, I think, is substantial evidence of the extent to which we are maintaining the volume of our trade abroad.

The other day the hon. gentleman had another criticism when he said that the shrinkage in customs revenue was due to tariffs. Or, to use his own words, he said that our tariffs went on in May and then down went the imports, down went customs revenue with the result that our customs revenue in 1931 was \$145,000,000 and in 1932, \$69,000,000. In order to support his argument he gives a table of percentages. He shows in this table

[Mr. Stevens.]

that in 1926 the percentage of customs revenue to the total revenue was 42, and it has fallen in 1933 to 28 per cent. I ask the house to examine these figures. In the first place the hon. gentleman seeks to prove that because there was a fall in customs revenue in relation to total revenue, to 28 as compared with 42 per cent,—a fall it will be noted of 33½ per cent,—that was entirely due to the imposition of restrictive tariff duties. I wish the house to follow me in a recital of price indices for Canada, the United States and the United Kingdom. We have the following rather interesting result. Taking 1926, which was the year he used in his calculations, as 100, we have this result; the Canadian price index, 100 in 1926, was 63·6 in February, 1933, or a drop of 36·4 per cent. Irving Fisher's index, 100 in 1926 was 55·3 in February, 1933, a drop of 44·7 per cent. The Bureau of Labour figure in the United States, 100 in 1926, was 62·6 in 1933, a drop of 37·4 per cent. The Economist index in the United Kingdom, 100 for 1927, was 61·2 in January, 1933, a drop of 38·8 per cent. In every instance, in Great Britain, in the United States, in Canada, you have a drop in prices of 36 to 44 per cent. Consequently there was bound to be a corresponding drop in the revenue collected from ad valorem taxes. So while there was a drop in the proportion of customs revenue of some 33½ per cent it is only reasonable to assume that it was in large measure accounted for by the drop in the price level of goods in that period of time.

Then I take another test of the fairness of my hon. friend's argument. I remind the house that the charge is that the rates of duty have been boosted unduly and unwarrantably. He says, "Up went the duties and down went revenue." Let us take the average duty on goods imported from the United Kingdom, other than alcoholic liquors, for the term in which my hon. friends opposite were in office. You have an average rate of 17·9 per cent. In 1932, under the present government's increased tariffs condemned so much by my hon. friends, we have a rate of only 18·62, about ¾ of 1 per cent increase on the average on dutiable goods imported from the United Kingdom. If we turn to the United States we find this figure. During the Liberal term of office the average rate of duty was 23·9 per cent and under the present government in 1932 it was 27·45 per cent, in other words an increase there of about 3½ per cent.

Mr. EULER: Does that include the specific duties?