

able in foreign countries in the currency of those countries; and against that visible balance which we are endeavouring to create in this country—that favourable visible balance on behalf of Canada—there is only one invisible item, that is the tourist trade. There is something from investments abroad, but that is very limited. We must depend, therefore, more or less largely upon the tourist trade with respect to unfavourable balances to redress not only the trade balance, which must be in our favour if we are to continue solvent, but also these enormous obligations amounting to \$1,000,000 a day, which this country under the leadership of the right hon. gentleman opposite incurred prior to 1930.

If in 1929 some of us ventured, as you will find in the pages of Hansard, to point out that the day of reckoning was fast approaching; if we believed then, as we still believe, that the maintenance of an equilibrium between imports and exports is not only fundamentally but imperatively necessary if the financial structure is to be maintained; if we believed this and pointed it out, you will admit, Mr. Speaker, that we received, for the views we then took, no support from hon. gentlemen who now sit on your left. They said that all was well. We said, beware. And it is one of the ironies of fate that the responsibility for meeting and dealing with the present crisis is imposed upon those who pointed it out and, believing that it was surely coming, asked those then in power to beware.

Some hon. MEMBERS: Oh, oh.

Mr. BENNETT: And yet those who sit beyond to the left of you, Mr. Speaker, having created that adverse position, dare to raise their voices in protest.

An hon. MEMBER: It is a world condition.

Mr. BENNETT: Certainly it is a world condition; but had this new country taken the steps it should have taken in 1929 to produce a favourable trade balance, conditions would not be what they are. Every thoughtful man knows that. I put this question to every hon. member in this house: What would have happened had we continued with the tariff legislation which we had in 1929? If Mr. MacDonald was right in what he said in England, and I do not think anyone disputes it, then it would have meant insolvency. I have said times without number that the tariff is but an instrument to accomplish a purpose; I have said that I demanded an equal opportunity and fair competition for Canadians, and the tariff is the instrument by which we have endeavoured to

bring that about. The tariff is the only instrument of which I know whereby Canadians can maintain that favourable trade balance which will enable them as a borrowing people with a surplus of exports over imports to meet their obligations in the markets of the world and discharge the contracts which they have made.

I intend to make an observation or two with respect to the economic conference. Twenty-nine years ago Joseph Chamberlain conducted a great campaign in England on imperial preference. One of the wisest men of that generation was the late Duke of Devonshire—the eighth duke, not the ninth who was our governor-general.

Mr. JACOBS: Does the right hon. gentleman wish to make a distinction between the two as to wisdom?

Mr. BENNETT: In making that observation the hon. gentleman does credit neither to his intelligence nor to his wit. The Duke of Devonshire, with that prescience which distinguished him and that wisdom for which he was noted, put his finger upon the crux of the problem. The following is his letter of June 15, 1903:

Is not this question of the alleged decline of exports as compared with imports immensely important, and is it not in fact the sole foundation for any impeachment of the existing system?

I do not think that Chamberlain can point to any proof that we are going back, except that the exports of some of our manufacturers are declining.

But if we can export enough to keep up our imports what does it matter? If our iron and steel exports diminish it may be made good either by increased home consumption of iron and steel, or by manufacturing something else either for home or foreign consumption.

That, mark you, was the statement of one of the wisest men of his day, made twenty-nine years ago next June. He foresaw that if the imports of the country were gaining over the exports, then all was not well with England. The succeeding generation of economists pointed that out, but it was without avail, because there were those who believed that a shibboleth was all that was necessary to maintain the economic position of the kingdom. The Cobden school believed in what is called free trade, and believing in that and using that shibboleth, the results that were brought about, slowly, imperceptibly at first, gained momentum until we had in September last the calamity of the destruction of the position of the Bank of England so far as its being the centre of finance was concerned.

Mr. YOUNG: World conditions were not responsible for that?