

Mr. BENNETT: Exactly; nothing. Hon. gentlemen opposite were in power, and they did nothing about it. When the budget was delivered in 1930, no effort was made to stem that adverse balance. But the right hon. gentleman this afternoon, speaking with pride with respect to that budget, talked about its affording greater opportunities for freedom of trade. That meant what? Taking from Canada further markets, and we could not place our exports in other countries because they had raised their tariff barriers against us. I put it to this chamber: Is it not common knowledge that during the period from the end of the war until 1930 every country in the world had raised its tariff barriers, not against Canada alone, but against other countries as well? Why did they do it? In order that they might build up a favourable trade balance, and not have to borrow money to pay their debts. For, in the end, when you have more imports than exports an adjustment has to be made to bring about a favourable balance. If there is a gap it must be bridged, and it can be bridged only with fresh capital coming to this country or by borrowing.

Ramsay MacDonald put it more powerfully when he said, "If you continue thus to buy more than you sell, in the end you will become insolvent the same as any individual." That was the position of the Dominion of Canada. On March 31, 1930, we had an adverse trade balance against us such as I have indicated. In the month of July of that year the Conservative party took office, and in September we met in this House of Commons. What was the first thing we did? The first thing we did was to endeavour to provide against a continuance of a loss which meant insolvency to the Dominion of Canada. There is no gainsaying that fact, as Sir Arthur Salter points out, and as every economist points out. While in the city of Halifax during the last year the right hon. gentleman was bemoaning what we had done, England was passing a bill prohibiting imports. Why did England do that? Because, as Mr. MacDonald pointed out, England was threatened with financial ruin. Her statesmen saw with a clear vision that if she continued to buy more than she was selling, with her freight revenue cut off, with the extent of her investments lessened, stark insolvency was the only end in sight.

When we came into power we immediately took steps at least to endeavour to correct that adverse condition, and put this country into a position of solvency. The right hon. gentleman keeps on shutting his eyes to the

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facts, but I will put to him this: What would have happened to Canada if we had not done it? There is no denying the situation I have described. No one attempts for a single moment to deny that unless some step was taken, disaster was inevitable. I cannot expect, in the very nature of things, that gentlemen who have tied themselves with prejudices will for a single moment lend their ears to what I have to say. I do, however, say to them this—and they will find it in every book written on economy—the greatest free traders among them must know that only one thing could be done, and that was to take steps in that direction.

As I have said, those steps were taken. We took them, frankly, because we believed that was the only way it could be done. If hon. members ask me to call a witness, a disinterested party, I call Right Hon. Walter Runciman, President of the Board of Trade in England. I find a speech he made the other day in which he, a born free trader, a man who served in a free trade government, a man who made free trade speeches in England, found himself confronted with a situation, and consented to duties against imports of 50 per cent, and in some cases 100 per cent. Here are his words:

"The recently imposed general tariff reduced imports directly by £8,000,000 and indirectly by £16,000,000," he said. (The pound was quoted yesterday at \$3.78.) While unemployment was increasing in the rest of the world, Great Britain reduced her jobless by 486,000.

"As a result of strong steps taken not a moment too soon by the government last November, we can look back on our policy with satisfaction," Mr. Runciman said, "The result, while preserving our purchasing power abroad for more pressing needs, has been to give home industries an impetus exceeding any since 1921."

He applied—late, it is true—the principle we applied in 1930. What is more, if hon. gentlemen will read the speeches made on the hustings in England during the last general election campaign, they will find recorded in the magazine *Time* that Mr. Chamberlain, again and again pointed out that what Canada had done England could do. We did the only thing that could be done. I admit it is very difficult to have gentlemen realize that we are not living in the age to which the right hon. gentleman referred this afternoon. We are not living under those conditions, and if my argument is based upon sound premises—and I believe it is—it will have to be admitted that the conditions which obtained from 1929 onward were brought about by a world crisis, from which we are now, I trust, slowly recovering.