

for the conditions that prevail. I rejoice that they do prevail. They prevail in New Zealand; they prevail in Australia; they prevail to an amazing extent in South Africa, far beyond the situation in this country. They extend to Great Britain, to a much greater extent than in Canada, largely because of the fabrication of munitions and armaments.

The fact that this is so and that there has been a general improvement in international trade as well as a general improvement in world conditions is a matter for satisfaction to me and those who sit on this side of the house as much as it is to those who sit on the other side, but I think they will find on analysis that the amount of improvement that can be made directly referable to any particular legislation is extremely limited. There will be ample opportunity on other occasions to discuss these matters in detail, so I will defer the discussion until then, but I think if my hon. friends will take the trouble to analyze the figures they will find my statement to be correct. I am not unmindful of the fact, for instance, that from 1921 until 1930, during the regime of the right hon. gentleman who now leads the government, this country enjoyed a prosperity that was ever increasing during those years, and yet during that period of time 934,000 people left Canada for the United States of America. There is the record. That in itself is some indication of the undesirability of endeavouring to generalize too greatly upon premises which I think are faulty.

The general improvement of conditions, for instance, would not be attributable to the trade agreement between Russia and Canada. Since that trade agreement was made Russia has bought 5,000 bushels of wheat. The record is not compiled in so far as Germany is concerned, but the German treaty itself is a negation of all the rules that have prevailed with respect to international trade. We might as well be fair about it; it is an experiment. The experiment may succeed; I hope it does, but it is a barter experiment. It is an experiment by which it is declared—and I have heard the most eminent economists in public declare how unsound it is—that every dollar which is expended in buying German goods will be utilized in buying Canadian products, 35 per cent being used for the purpose of acquiring wheat. Now that is an ideal sort of view, but it involves the necessity on the part of Canadians first of all to buy a substantial quantity of goods from Germany. If they do not want them, they will not buy them. And if by buying them, Canadians displace their own goods, then you are put into the position referred to by the hon. member

for Gloucester, of injuring a number of your own people. The treaty with Germany is obviously an experiment, as one can see by reading the documents, and provision is made for its termination. That provision is of such a nature as indicates that the treaty may not work satisfactorily, and if it does not, then within as short a time as possible it can be terminated by cancellation.

There was a trade treaty with Germany before the late government left office. There was one with Poland and there were treaties with other countries of the world. There was not one with the United States.

The statement that the hon. member for Essex West has made is one that will not bear analysis. Whisky for instance, constituted some \$8,000,000 of the increase in exports. That is an extraordinary item. The large exports of newsprint that took place during the fall were attributable to the tremendous amount of printers' ink which was used on paper during a presidential campaign, and to the increased quantity of paper used in advertising consequent upon the distribution of moneys which increased the purchasing power of the people. The analysis of the matter might be carried on with great particularity, but I do not conceive this to be the moment to do so. I can only say again that it is well for hon. members to recall that the present position did not arise from zero in the regime of hon. gentlemen opposite. All they have done is to pursue the course that their predecessors followed with respect to many great matters of policy.

The revenues of this country, for instance, have increased some \$48,000,000, I think, for the nine months ended December last. I read that in the paper the other day. But the largest item is from sales tax, which was increased 33½ per cent by this government last session, an increase of from six to eight per cent, and if that did not increase the revenue it would be a sad reflection upon the intelligence of those who made that change. It was intended to create revenue, and it did, and this parliament is responsible for increasing the rate from six to eight per cent.

May I go a step further? You have an increased revenue from income tax amounting for the last nine months to something like \$18,000,000. But on what income was it collected? Upon the income of 1935, not the income of 1936, and surely the hon. member for Essex West would not attribute the increased collection of income tax to what took place between October and December with respect to the incomes of the citizens of