

cerned. Why was that? The reason is that everything depends upon the state of development of a country. If a country is borrowing from abroad for the purpose of development, as was the case in this country when we were constructing our great railways, during the period of Sir Wilfrid Laurier's régime, or the period during which the Canadian Pacific railway was being constructed, one would expect an unfavourable balance. That circumstance, however, did not signify anything adverse with regard to the position and development of the country. It was only the outcome of an investment which was going to bring its return later on. I need not, I believe, go further into that question; I think it is quite clear.

As to the third matter of which I spoke, that is, the excise tax being an increase in the tariff, I think on that score also I have said enough for the moment. May I, however, direct attention to the last point to which I referred, namely, the significance and importance of this budget in regard to the forthcoming Imperial conference. There is nothing that I can see in the budget which, read across the sea or in any portion of the world where there is a British dominion, will bring aught of encouragement to any government of the British Empire. I do not know how we in Canada would have felt if, when Britain introduced her duties, she had put up the tariff against Canada as well as against foreign countries, in the way this government has been doing ever since it came into office. So far as this year is concerned, Canada and all parts of the empire had a right to expect that, in the budget preceding the conference, there would be something that would resemble a gesture of goodwill, something indicative of an attitude of friendship towards the other portions of the British Empire. But I will deal with that further in a moment. May I repeat that it is because of the facts which I have mentioned that the Liberal party brought down this year an amendment limited particularly to the tariff. If the house will permit me, I would here like to put the Liberal amendment on record:

That all the words after the word "that" be struck out and the following substituted therefor:

"this house is of the opinion

"that increases made by the present administration in the customs tariff have been arbitrary, ill-considered and inordinate, and have had the effect of stifling agriculture and other industries, restricting trade and commerce, and increasing unemployment;

"that the fixing of values for duty purposes by orders in council is an interference with the inherent right of parliament to regulate duties and determine taxation, and has had an un-

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settling effect on commerce, a depressing effect on business, and has been detrimental to the interests alike of producers, importers, distributors and consumers;

"that a reversal of the present fiscal policy in relation to customs tariffs and an immediate resumption of parliamentary direction and control with respect thereto are essential to a revival of trade, and improvement in business, and to the ultimate return of prosperity in Canada."

That amendment was followed by an amendment moved by hon. members of the Progressive party in the far corner, and, if the house will permit, I should like also to place that amendment on record so that the two will be side by side:

That all the words after the word "that" in the said proposed amendment be deleted, and the following substituted therefor:

Whereas, in Canada there exists an ample supply of natural resources to provide for all primary needs, and

Whereas, we have developed an efficient industrial machine capable of producing more than sufficient of the requirements of our people, and

Whereas, notwithstanding this our external and internal debts are increasing enormously—large numbers of our citizens are in dire need and exist through governmental and charitable relief, and a large proportion are faced with declining purchasing power involving a lowered standard of living, and

Whereas, in our opinion these conditions are attributable to fundamental defects in the present economic system, and

Whereas, it is therefore necessary that parliament, the agency with the widest legislative powers, should take the initiative in the task of reconstructing national production and consumption with a view to the widest possible use of commodities on a basis of human needs, and

Whereas, the control of finance is a basic element in such reconstruction, affecting as it does industrial plant establishment and development, the distribution of goods and the price level of goods and services.

Therefore be it resolved, that in the opinion of this house, as a first step towards general economic reconstruction, our financial system should be nationalized, and provision be made to issue immediately sufficient money to bring the value of the dollar as speedily as possible to that point at which the major portion of our debts were incurred during the war; stabilize the dollar at this point internally and thereafter manage credit and currency issue to secure and maintain a stable price level within Canada.

With regard to the Progressive amendment may I say that it relates exclusively to the question of currency and credit. It is in the nature of an amendment dealing with financial reform, whereas the amendment moved by the Liberal party might be described as having to do with tariff reform. I want to say quite frankly that I think hon. members who are responsible for this amendment are to be congratulated for the time, the thought and the study they have given to financial questions.