

German raiders were threatening the commerce of the seas, finance and commerce all over the world almost prostrate, freights increased, risks of shipping so great that ship owners would not hazard ocean trips! Yet my hon. friend from Halifax says that in his opinion it ought to have had no appreciable effect upon our customs receipts. I pointed out in my Budget speech that this Dominion had been borrowing no less a sum than \$1,000,000 a day up to the time of the outbreak of the war. That borrowing was cut through as with a sword. How did we bring in the million dollars a day that we borrowed? My hon. friend from Red Deer (Mr. Michael Clark) is an economist of repute and even of renown. I ask him: how did we bring in the million dollars a day that we borrowed? Did we bring it in in gold? My hon. friend from Red Deer will be able to explain to the House that you could not bring it in in the form of gold. Great Britain would never part with a million dollars a day in gold.

When we borrow in Great Britain, we really import our borrowings; they may not come from Great Britain; they may come from some other country. In the past we have been importing from Great Britain and the United States but the million dollars a day that we borrowed from Great Britain came in the form of imports. How do I raise my customs revenue? From imports. My hon. friend's proposition is that you can cut off borrowings of a million dollars a day, and cut off imports representing a million dollars a day, and yet there will be no effect upon your revenue. A million dollars a day represents \$300,000,000 and more per year and my hon. friend says that it will have no effect whatever upon the customs revenue of the Dominion. I say, Mr. Speaker, that it is an affront to the intelligence of this House to argue that the war has had no effect upon the revenue of Canada. That cessation of borrowing at once diminished building operations throughout the whole country. Buildings that were under way, railway construction that was projected, stopped instantaneously. Why?—because the funds were not forthcoming. Moratory legislation in London prevented for months the payment of even the funds which have been provided for in advance. Yet my hon. friend says that it ought to have no effect upon the revenues of the country. My hon. friend pays an unintended compliment to this Government if he asserts that Canada is the sole exception in all this world and that the war on the gigantic scale upon which it has been waged has not had any appreciable effect upon the imports of this country.

#### THE EFFECT OF THE WAR ON TRADE.

Let me give my hon. friend a few figures, and I shall use figures very sparingly. These are official figures and they are not open to contradiction. Take the foreign trade of the United Kingdom; there was a decrease in imports in July last of 3.9 per cent. In June it had been only .1 per cent. In August, such was the effect of the war, that the imports of the United Kingdom dropped 24.3 per cent; in September 26.6 per cent; in October 28.1 per cent and in November 18.2 per cent.

Sir ROBERT BORDEN: Is that as compared with the previous year?

Mr. WHITE: As compared with the previous year, showing that the imports of the United Kingdom, which had begun to drop by July, decreased 24, 26 and 28 per cent for the months succeeding the outbreak of the war and the argument is that the war has had no effect upon Canadian imports. Take the United States, the great Republic to the south of us, and what is the position there? Why, the position is very similar. There had been an increase in United States imports to the end