

anything we have had in Canada at any previous time. That is the situation as it has been brought about.

It is difficult to estimate what the real effect of these mistaken policies has been, but a day or two ago there appeared in one of Canada's leading journals an estimate which I think will be recognized as important enough to bring to the attention of the house at this time. It is a carefully prepared estimate by one of the leading journals in the Dominion of Canada, and the paper in question is apparently prepared to stake its reputation as a journal of exceptionally high standard upon the editorial which it has published in this connection. I am quoting from an editorial which appeared in the *Ottawa Citizen* on September 21, 1932, just a few days ago. It is entitled "**\$2,500,000,000 Penalty**," and the paragraph which I wish to bring to the attention of the house is the following:

It is estimated that this policy of trade restriction and its counterpart—the attempted maintenance of the gold standard—together with the world depression, will by the end of 1932, have cost the country in loss of purchasing power through reduction in the income of wage earners, farmers, merchants, business men, professional men, etc., not less than \$3,250,000,000. To this should be added the reduced earnings of corporations, so that the total loss—or cost—to Canada cannot be short of \$5,000,000,000. But to be quite fair to the government let us assume that half of this loss would have come to us by depressed world conditions even if the King government had remained in power. Still its mistaken policy would seem to have cost Canadians approximately \$2,500,000,000 in two years—an amount equal to the present national debt—a sizable monument to its error in judgment.

This is the considered opinion of the *Citizen*. Business men can estimate what \$2,500,000,000 of purchasing power distributed throughout Canada would have meant towards business revival and lower taxation!

That quotation, I think, ought to cause hon. gentlemen opposite to reflect very seriously upon the consequences of their policies in accounting for conditions as they are at the present moment. I want to make the direct statement that I believe the policies of the government with respect to the tariff are accountable in a most direct and positive way for conditions in Canada being as serious as they have been during the last couple of years. I want to say further that unless those high tariff policies are changed and changed very speedily, the country's condition will become even worse than it is at the present time. It is, I believe, impossible to exaggerate what the adverse effects of restriction of trade has been upon the commercial and industrial life of our country, brought about as these effects have been by the mistaken policies of hon. gentlemen opposite.

[Mr. Mackenzie King.]

This afternoon I sought to give in the government's own words a picture of itself as it saw itself, as it depicted itself in the various statements that appeared in the speech from the throne. Let me now give to the government a picture of itself as others see it—the government as the country sees it and views its policies. I do not believe it would be possible to give that in a more graphic way than to remind hon. gentlemen opposite of what took place in South Huron just a week ago today. I speak with considerable emphasis of what took place in South Huron because that election is of very special significance. Hon. gentlemen opposite themselves selected the time for bringing on the by-election in South Huron. They sought to make the issue in South Huron the agreements come to at the recent Imperial economic conference. No less than five ministers of the crown went into the riding and spoke from various platforms; some of them spent several days in the riding and stressed over and over again the point that the verdict given by South Huron would be viewed not only in Canada but in Great Britain and in all parts of the British Empire as Canada's verdict upon what had taken place at the recent economic conference. They knew very well when making their appeal to the electorate that they were playing upon the high expectation and earnest hopes of the people in that constituency that out of this Imperial economic conference would come some good. They felt that by making that the theme of the by-election campaign they were playing their strongest card; it was an appeal to the patriotism of the people. All this came immediately on top of all the publicity the country had to endure during the proceedings of the conference held in this city. In view of that fact I say too much significance cannot be attached to the result in South Huron.

The Liberal party did not seek to follow hon. gentlemen opposite in making the Imperial economic conference a subject of political controversy at the polls. In regard to the conference we adopted the attitude we have followed from the beginning, namely to give hon. gentlemen opposite the freest hand, to interfere in no way whatever,—not even to comment when we believed they were taking the wrong course. We have allowed them a perfectly free hand so that in no way could they say they had been obstructed in their efforts to improve trade within the empire. We did take the position very strongly in South Huron which we take here today, namely that the economic conference should not be made to serve as a screen to hide the government's shortcomings or the