

But certainly she should not be able to come to the Government of Canada and float her debentures here at par and take in exchange manufactured goods from this country. Canada to-day is indebted to Great Britain and to the United States. There is a heavy balance of trade against us, and we are in debt to various countries. Yet in the face of that we are going out to borrow more money from the Canadian people, or the British or American people to loan to another country. In other words, we are giving credit to doubtful customers at the expense of the people to whom we owe money to-day, with the result that we are only sinking deeper all the time. The manufacturers tell us they must have protection in order to cope in Canada with outside competition. Then they come back and tell us that they are not able to compete in the outside markets unless we supply them money to buy the goods. It can easily be seen where we are going to end if we attempt to furnish capital to the manufacturers to buy goods to ship out to all the countries that are practically bankrupt in order to make trade for our factories. The argument was used, when the resolution upon which this Bill is based was before the House, that we must keep the factories going in order to create employment for labour. If the Government were to say: We will furnish this credit on the condition that all the profits that are made in these factories shall go to the employees and not to the manufacturers—then I would consider the proposal as being more sane and more justifiable. But to allow the owners of factories to fix their own prices for the goods, and their own price for labour, and then come to the Dominion Treasury for the money to carry that out, is, I think, a great mistake. If Rumania is not able to pay, what is the alternative? What are we going to do when this \$25,000,000 becomes due? We must increase our taxation to pay the interest on that loan; and when our Western friends are asking for reductions in the tariff, or for the adoption of free trade, they will be met with the statement: Our responsibilities are so great that we cannot reduce or abandon the tariff. We are virtually bonusing these factories, causing a greater public debt, going out to incur what are practically certain losses that will entail increased taxation on our people. The Government is not only going to pay out this money to the manufacturers of Canada, but it is shovelling the money out to some foreign country; and the people of the Dominion

[Mr. Cahill.]

will be called upon to pay. Should the loans not be liquidated, we will have to continue to pay the interest on these loans ourselves, and that will simply mean increasing the burden of taxation. I do not believe it is the duty of this Government to furnish any special industry or any special class of people with money to carry on business. If the Government has too much money on hand it would be better for it to purchase land from those who are keeping it out of use and sell it or give it to the returned soldiers, or to these factory employees, to build homes for themselves, rather than to hand it to some foreign country that in all probability will never be able to make repayment.

Mr. H. H. STEVENS: The argument of my hon. friend is a most extraordinary one to my mind. He states that we owe Great Britain, the United States, and other countries certain debts, and he deplors the fact. I wonder how in the name of common sense he expects this country is going to pay its indebtedness to Great Britain, or to any other country, except by the exportation of goods. Surely he must be aware that Rumania also owes Great Britain very large sums of money. If we send goods to Rumania and finance them in Canada we are simply going that far towards the liquidation of our debt to Great Britain. Being a man of very high intelligence the hon. gentleman must know that as a rule goods are not exactly paid for in cash to the country from which they are bought. It may be Spain, or Portugal, or France, or Great Britain, that is sending us goods; we also send goods to those countries; and the final outcome is a settlement by the process of exchange. He objects strongly to this Government establishing a credit for Rumania to buy manufactured goods in Canada. If he is sincere he must just as strongly object to the Canadian Government establishing a credit for Great Britain or any other country—

Mr. CAHILL: Not Great Britain.

Mr. STEVENS: —for the purchase of other classes of goods. Of course I understand that my hon. friend will say, for the sake of his farmer constituents, that he does not object to financing the exportation of farm products, but he does object to financing the exportation of manufactured goods. It is this everlasting baiting of the manufacturer, or other industrial person or company, that is causing sectional discord in Canada. This country is going to prosper, not merely by building up the agri-