

I would like also in passing to offer my congratulations to the leader of the Opposition who has this session for the first time taken the actual lead of his party. As that hon. gentleman looks back over the names of the illustrious men who have adorned the position he now occupies I hope that he may be stimulated to guide his party wisely, sanely, and well.

Before proceeding further I would like to associate myself with other hon. gentlemen in supporting the stand taken by the different members of the Government in opposing what is known as the Lenroot resolution in the American Congress. Canada has gone too far in its progress amongst the nations of the world to be content with a position restricted merely to the northern part of this continent, and before the present session prorogues I would like to see a resolution passed by the House backing up the Government's stand and insisting that Canada be given her full status as a nation of the British Empire.

I feel like apologizing to the House by entering upon the discussion of matters that more properly pertain to the Budget—

Mr. CLARK: Not at all.

Mr. PETER MCGIBBON—but I agree with the member for Red Deer that the debate on the Address is the great "free for all" the great opportunity that members have of laying before the House, and consequently before the country, at the beginning of the session, their ideas, in order that the Government may shape its policy according to the wishes of the people. And it is for that reason and partly to correct some misstatements that have been made in this House that I ask you at this late hour to bear with me for a few minutes while I discuss matters which as I said, more properly belong to the Budget debate

Now, Mr. Speaker, a great deal has been said, and I think rightly said, in this debate about the exchange situation not only in Canada but throughout the world. It has been rightly said, I claim, because that is one of the disturbing influences in commerce to-day. I may say that I think the member for Marquette (Mr. Crerar) was a little bit hasty and, perhaps, a little bit sarcastic in telling the hon. member for Frontenac (Mr. Edwards) that he did not know even the A.B.C. of the economic principles that govern these matters because that gentleman asked him a simple question or two. I was especially astonished a few minutes later when the hon. member for

[Mr. McGibbon.]

Marquette asked the Minister of the Interior (Mr. Meighen) a question which, to use an expression of his own, was simplicity itself. He asked the hon. minister to explain how it was that previous to 1911, when Canada had an adverse trade balance, her exchange was at par or nearly so—not knowing evidently, as he should have known, if he had gone at all into this question, that previously to that year Canada had been borrowing some five or six hundred million dollars a year from the Old Land.

What are the principles underlying the depression in exchange to-day? The first principle is, of course, the post-war conditions which have led to a heavy adverse balance of trade in many places; another, the abandonment of the gold redemption made necessary by the large issue of paper money; and a third, the diminution of the gold reserve, made necessary in many countries by the export of large quantities of specie. I might say, in passing, that I was rather surprised to hear the hon. member for Red Deer (Mr. Clark) state that an adverse balance of trade of any kind had, in his opinion, very little to do with the exchange situation.

Mr. MICHAEL CLARK (Red Deer): Might I explain to my hon. friend that I ought perhaps to have been a little more explicit in my statement. I am sure that my hon. friend would not wish to misunderstand, and still less to misrepresent me. When I said that in my judgment there was little connection between the so-called adverse balance of trade and the adverse exchange rate, I meant, and I thought the House would understand me as meaning, that there was little connection as between cause and effect. My hon. friend is a medical man and knows the difference in disease between a cause and a symptom. I meant there was little or no connection between them as related to cause and effect, and I thought I explained afterwards that they are both symptoms of a disease, the characterization of which I did not wish to attempt.

Mr. PETER MCGIBBON: I am sure, Mr. Speaker, that I am the last one who would wish to misrepresent the hon. member for Red Deer. His statement was that before 1911 Great Britain always had an adverse balance of trade, that the British sovereign "spoke all languages," and that British credit was the highest in the world. My point is simply that had it not been for other conditions British exchange