

and I think some small tax might be established under which the holder of the mortgage would pay part of the tax.

In conclusion, Mr. Speaker, may I say that a great deal of ridicule has been directed at the government and particularly at the Prime Minister. This is nothing new; history records the fact that the greatest men have been condemned by the people they served, and the greater the service the greater the condemnation. So it is only to be expected that much unjustified abuse should be thrown at the Right Hon. R. B. Bennett. There may be times when I doubt his qualifications as a politician, but not for a single instance have I ever entertained the least doubt as to his qualifications as a statesman, administrator or prime minister. I believe the day will come when the people of Canada will appreciate to the fullest extent the ability he has shown in guiding and directing the Canadian people through this grievous period of depression.

Mr. C. E. BOTHWELL (Swift Current): I hope the hon. member for North Grey (Mr. Porteous) will pardon me if I do not attempt to follow him in the arguments he has advanced.

I think every person in the Dominion of Canada, Mr. Speaker, who has given thought to the situation in which we find ourselves will sympathize with the Minister of Finance (Mr. Rhodes) for having to bring down a budget at this time; I think everyone will realize the difficulties with which he is confronted in his endeavour to balance the budget. We are passing through the most difficult times Canada has ever known. It is true that the early settlers had difficulties also, but they were able to accommodate themselves to the conditions which existed perhaps better than the people of to-day can accommodate themselves to the conditions which exist now.

The budget was eagerly awaited by all the thinking people of Canada. Everyone was wondering if it would contain some ray of light and hope. So far as I can gather, Mr. Speaker, from the correspondence I receive from my own constituency and from the conversations to which I have listened, this budget has been received with a feeling of despair on the part of the people of Canada. Perhaps they were expecting too much; perhaps they were hoping that the Minister of Finance would be able to change things overnight and usher in the dawn of a new era for Canada.

Many things have contributed to this feeling of despair. We are well aware that there is a world depression affecting all countries, but, with many others in this country, I believe that the situation in Canada might be remedied

to a very considerable extent. We do not see anything in this budget, however, tending to help matters at all. I should like to congratulate the Minister of Finance on his presentation of the budget; I think he explained the situation in an admirable manner and gave us facts which perhaps we did not expect to hear. The hon. gentleman did not try to paint the picture any brighter than the situation warranted.

Perhaps the first contributing factor to this feeling of despair which I mentioned is the continual drop in the trade of Canada. I find that at page 3206, of Hansard the minister stated that for the eleven months ending February 28, 1933, the trade of Canada had decreased by \$250,521,000 as compared with the eleven months ending February 29, 1932. We have been hoping for an increase in our trade. We do know, and we may congratulate the minister on the fact, that the government has brought about a favourable trade balance; but there is still a tremendous decrease in the trade of the country. We believe that the trade of Canada must increase if we are going to usher in that period of prosperity we are looking for. Then we have the falling revenue, for which we have been looking. We knew there would be a falling revenue, and that was not much of a surprise to most of the people. We have been studying railway statistics in the past few days. There has been an enormous drop in the earnings of the railways, not only in the Canadian National, which has been talked about so much, but also in the Canadian Pacific, and we believe on this side of the house that these deficits are largely attributable to the stagnation in trade which has been brought about to a considerable extent by the restrictions on trade which have been put into force by this government. We do not believe there is any chance of our railway earnings increasing with the freight rates that are now in effect, but the people of Canada cannot pay any higher rates, unless there is an increase in the trade of this dominion, and unless we give our railways something to do.

We had a good crop in the west last year. The railways have always in the past made money when there was a good crop in the west, in transferring the crop to the eastern seaboard, but in past years, in addition to hauling the crop, they have had cargoes to carry back. But the trade restrictions that have been imposed, together with the general depression, have eliminated that return traffic. The people of the west cannot buy, and about the only shipments that are going west are absolute necessities of life, a large proportion of which is made up of purchases through relief commissions.