

exception to this very feature of Canada's method of administering the tariff has been taken by the British Government (?) and the British people to the manner in which the Ottawa trade agreements had been carried out. If negotiations have failed, it would seem that this practice of regulating tariffs by arbitrary valuations has been one of the reasons responsible.

Another possible reason for the failure, which is also apparent from the correspondence, is the difference of view with respect to trade balances held by Mr. Bennett and Mr. Cordell Hull. It would appear from the correspondence that Mr. Bennett was unwilling to negotiate any agreement with the United States save one which would have regard for balances of trade as a matter of concern merely to the two countries effected by the agreement, whereas Mr. Cordell Hull has held the point of view that "international balances are settled on many fronts, and it would be a serious setback to world trade if countries undertook to achieve balances with individual countries".

It will be noticed that Mr. Bennett has adopted in his radio broadcast, which deals with the reciprocal trade agreement, the somewhat curious, though carefully designed, procedure of imbedding what he had to say about reciprocal trade with the United States in a part of his address which