

the Ruhr to England to such an extent that it nearly ruined the coal industry there. Surely no one will say that because she was such a large exporting nation she was prosperous. If Canada's exports are greater than her imports it may be that we are a debtor nation; it may be we are paying some debts and have to export more than we import, but unless the exports and imports of a country are analysed there is nothing to show whether that country is prosperous or not.

I have before me a statement from the last English budget. The English people do not take it for granted that business is necessarily dull when their imports exceed their exports. They do something else, something which the Minister of Finance and the acting leader of the opposition have failed to do; they analyse their exports and imports to see just where they stand. If the Minister of Finance had to bring before this house a budget which showed a debit balance of imports over exports amounting to £359,500,000, as was the case in England last year, I am quite sure my friends to the left would hold up their hands in holy horror and the cry would go out that business was being ruined because our imports exceeded our exports to that extent.

An hon. MEMBER: You mean your friends to your right.

MR. ADSHEAD: To my right, but on the left of the Speaker. You do not hear the Conservative party at Westminster saying that business has been dull simply because their imports were £359,500,000 greater than their exports. Even when their exports were greater than their imports they did not consider they were necessarily prosperous. They analysed these things to find out just where they stood. What did they find? They discovered the invisible imports and exports, the balances paid on account of interest, and in the final analysis they found they had a net credit balance of £149,000,000. Perhaps it is for the purpose of creating political capital that the opposition endeavours to give the outside public the impression that business is not prosperous because our imports are greater than our exports, while the other side leads the public to think we are prosperous because our exports are greater than our imports. I heard some hon. gentlemen on this side actually say that because we had bought from the United States so many million dollars' worth of goods than we had sold to them, Canada's good money was over in the United States whereas it ought to be in circulation in Canada for the benefit of our own people. I

do not know why hon. members will make such erroneous statements, because I am quite sure they must know better. I am only a tyro in the study of economics, but my hon. friends who make those statements from year to year must surely know better. If they do not, they ought to and if, knowing better, they wilfully make statements of that kind they are doing so in a deliberate attempt to mislead the public. Such a course is no credit to the House of Commons.

I said a few minutes ago that the hon. gentleman who was acting leader of the opposition made an excellent presentation of his case, perhaps one of the best speeches I have heard in the house from that hon. gentleman during the three sessions I have been a member of parliament. Although as I have said, I liked his manner, I certainly cannot agree with his matter. One statement he made sounded extraordinary to me and I thought I would take it home and analyse it. He said that the enormous load of taxation was wrung from the people, and then he added: "What if the rate of taxation is reduced? Who cares for the rate? It is the amount of taxation that matters." That is a remarkable statement. I am not necessarily well versed in economics, but the peculiar and, so far as I am concerned, the amusing feature about the statement was this: he actually quoted William Ewart Gladstone, one of the chief leaders in days gone by, as having made that statement. For a Conservative leader to quote William Ewart Gladstone was something new to me. I should like the hon. gentleman to tell me where William Ewart Gladstone ever said any such thing, because I should be glad to read it. I do not say that he made no such statement because I do not know; but the humorous feature was this, that he turned to this corner of the house a little while after and said that very soon hon. gentlemen to his left would be leaving the musty, duty theories of Adam Smith of a century or so ago and turning to protection. There was no keener student of Adam Smith and no more devout worshipper at his shrine than the William Ewart Gladstone that my hon. friend quoted. It does not follow that because a thing is old, it is of no value. I am particularly astonished that my hon. friend who holds the past in such great reverence should make a statement of that sort. If we go back even to Euclid, who said, some centuries before Adam Smith lived, that two sides of a triangle were greater than the third, my hon. friend would discredit that on account of its age and because Euclid said it. There are many things which Adam Smith said which are just as true