

for a year. Yet so sensitive had trade become, so disorganized were finances, so difficult was the situation with respect to short term credits, with the two weeks and a half it took to adjust the matter after the Prime Ministers' conference in London, that the full benefits of the moratorium were lost. As illustrating the solidarity of the world from the standpoint of credit and the effect on the world at large of incidents which are small in themselves, hon. members will perhaps recall one of the opening sentences in the speech of the Minister of Finance (Mr. Rhodes), when he referred to an occurrence in Austria in June, 1931. It will be remembered that the largest of the Austrian commercial groups found itself insolvent because one of the directors said: I think we should revalue our securities. In doing so they found on present values this institution, with which the whole life of Austria was wrapped up, had become insolvent. This condition spread to Germany. The Bank of England loaned them £4,500,000, a very large sum, and that credit France had subsequently to take up in part. It is told by Sir Arthur Salter that on that day he was in New York; he went into the office of the governor of the Federal Reserve Bank and found him telephoning on the one hand to London and on the other to Chicago. He said he had just been speaking to Montagu Norman who had informed him that the situation in regard to the Austrian bank was very bad and was spreading. Just as in 1914 a single shot bringing death to one person caused disaster to the whole world; so this happening in Austria spread over all Europe and had the result, coupled with the withdrawal of money from that continent, of bringing about disaster there.

What was our position? We have to deal with realities and not with theories. Those charged with government in this country, with the awful responsibility of endeavouring to maintain the credit, the solvency of Canada in the eyes of the world, had upon them a responsibility which they could not shirk and which they would not if they could. What was their position? What was ours? Confronted with that situation, we were just 10,000,000 people in a world of 1,600,000,000. We were caught in the current. We were like a small boat which, moored at the bank of a stream, is caught up by a tidal wave and swept along with the current. That was our position, and yet day after day I have listened to and read the speeches of members of this house who talk of the condition of Canada as though it were something normal, akin to the condition of the nineties or of 1921 or of 1922, instead of which we were caught by

[Mr. Bennett.]

a current in the greatest crisis the world has known.

Mr. GRAY: We did not hear that in the campaign.

Mr. BENNETT: You certainly did not, because the campaign was over in July, 1930. I have been endeavouring to point out just as clearly as I could that in 1930 there were, according to the evidence of every authority, signs that this country, in common with every other part of the world, was making progress towards ultimate improvement. But if one blinds one's eyes as my hon. friend from West Lambton (Mr. Gray) would; if one will not see because he does not wish to see, or having eyes to see, sees not; if he does not take note of conditions as they are and observe the changes that time has wrought, it is not my fault.

Mr. GRAY: I heard the right hon. gentleman in Sarnia.

Mr. BENNETT: I tried in 1930 to point out as clearly as any man could, and I believed then as I believe now, that if it had not been for the abnormal conditions to which I have alluded, and the existence of which no man can deny, Canada would have attained that degree of prosperity which it reached during the years when it reflected the changed conditions in the world. When I hear hon. gentlemen opposite talk of the prosperity of Canada and of our great advancement in export trade from 1925 to 1929, I wonder if they have read the figures. Do they realize that that but reflects conditions in the world at large? Canada did not stand differently from other countries except in this, that being a new country rich in raw materials, we did march forward rapidly with respect to exports until we had attained to the position of sixth among the exporting countries of the world. And to-day, notwithstanding the greatest depression that the world has ever seen, we stand fifth among the exporting countries of the world, being exceeded only by Great Britain, France, Germany and the United States of America. There is no record in the economic history of the world of a people so small in numbers, a country so vast in area, having made such progress under present conditions.

Mr. SANDERSON: Does the Prime Minister take credit for that?

Mr. BENNETT: There is one thing he would not do: he would not accord it to you. I trust the hon. gentleman knows what I am talking about. Let us go a step further. I have been endeavouring to point out that in