

I think an observation, in passing, as to the net results accruing thus far might be of some interest.

I point to the fact that Canada's net debt at March 31, 1928, was \$2,296,000,000, a decrease of \$50,984,000 as compared with the year before. But, while we reduced the national mortgage to that extent, we gave a second mortgage of \$65,000,000 by way of guaranteed bond issues for the National Railways account. So the net performance of the nation was actually a loss or deficit of \$15,000,000 for the year.

Let us apply the same yardstick over a wider field and over a longer period, in order, as I say, to have a fairer conception of the accomplishment of the administration. It is to be remembered that the national net debt of Canada at March 31, 1922, was \$2,340,000,000 and that at March 31, 1928, six years later, it was \$2,296,000,000; a decrease of \$44,000,000 in those six years. The figures for 1922 may be verified by reference to page 2107 of Hansard of that year. During the latter part of that period there were annual decreases, and during the first part, annual increases, in the national debt. But the net result is that over the period from 1922 to 1928, inclusive, the decrease in the national debt, according to the Government's own statements, has been \$44,000,000.

Hon. Mr. BELCOURT: Do you include the guaranteed bonds in that amount?

Hon. Mr. ROBERTSON: Those bonds were guaranteed on railways account to the amount of \$253,279,000, as shown in the Railways Report which was put into the hands of members a couple of days ago. So during that entire period there has been wiped off \$44,000,000 net from the first mortgage on the State, and there has been added to its obligations, as a second mortgage, by way of guaranteed bonds, the sum of \$253,279,000. Thus, the deficit for that entire period on account of all our national undertakings, for which the country is responsible, is \$209,000,000. This has occurred during the time of so-called national prosperity.

Hon. Mr. BELCOURT: Does my honourable friend include the guaranteed bonds in arriving at this result? Are not the bonds included in the calculations he has made? My honourable friend has included the guaranteed bonds as actual obligations, notwithstanding his statement to the contrary.

Hon. Mr. ROBERTSON: I most assuredly do regard this as an obligation undertaken by the Government of Canada. It is an obligation to meet that guarantee, if necessary.

Hon. Mr. BELCOURT: That is not a debt.

Hon. Mr. ROBERTSON: Oh, I see. A note is not a debt, you say.

Right Hon. Mr. GRAHAM: If it replaced another note, it would not increase the debt.

Hon. Mr. ROBERTSON: Turning to another subject, Canada's trade, we all recognize the fact that there has been an expansion in our trade, and we all rejoice in that. But I wonder if the so-called unprecedented prosperity of 1927 and 1928, which is under discussion, is clearly understood. I wonder if honourable gentlemen all appreciate the fact that our exports for the fiscal year 1927 were \$1,267,573,000, and for 1928, \$1,250,456,000, a decrease of \$17,117,000. During the fiscal year 1927 we imported from foreign countries \$1,030,892,000, worth of goods, while the total for 1928 was, \$1,108,956,000, an increase of \$78,064,000.

When we realize that for the year 1922 our total imports were \$740,000,000, that they had increased in 1928 by almost \$400,000,000, and that our exports did not increase in the same proportion, we are not likely to be carried away with the hallucination of unprecedented prosperity.

The favourable trade balance of Canada in 1927 was \$236,681,000, and in 1928, \$141,500,000, a decrease of \$95,181,000. That decrease occurred notwithstanding the fact that during the same year our wheat exports increased by \$46,000,000 over those of the preceding year.

Now, I think that we can comprehend the real situation by summing up a few of the main facts regarding exports and imports. We are told in the report of the president of one of our largest banks, one of the most reliable institutions in Canada, that during the fiscal year 1928 our exports of cattle, particularly milch cows, practically doubled, but owing to the sale of those cows our exports of butter and cheese were largely decreased. At the same time, our butter imports, particularly from New Zealand, were greatly increased. He states that ham and bacon exports continued to decline, to the extent of a decrease of 5½ millions of dollars as compared with 1927; and the exports of farm implements decreased in 1928, as compared with 1927, by 3½ millions of dollars, while the imports increased by 15½ millions of dollars.

I mention these things, honourable gentlemen, to bring home the fact that if our imports of manufactured goods continue to increase while our exports of them are decreasing, we cannot absorb the labour of Canada, let alone that of the immigrants who are arriving in thousands and hundreds of thousands from other lands.