

try, not merely owing to the war but as it existed before the war, and as it will be accentuated very seriously within the next few months—that he has failed in the proposals which he has submitted to Parliament to take into consideration the exact conditions, and that he has not done anything in the suggestions he has made to Parliament which will afford any remedy whatever for the conditions which existed before the war broke out.

Mr. WHITE: Immediately prior to the breaking out of the war there was a perceptible improvement in the conditions in Canada, due in a large measure to easier money conditions. I could establish that beyond question by the views of business men expressed in the press and otherwise and by official reports. I do not, however, desire to discuss that question now. The situation that prevails in Canada to-day is due not to the tariff but to the war which has broken out among the great powers in Europe, the effect of which is being felt not only in Canada but throughout the world. Canada has had a stream of capital flowing from Great Britain at the rate of twenty-five or thirty million dollars a month. There was probably \$100,000,000 a year coming in from the United States. Canada has had, in addition to that, the capital brought in by immigrants. Temporarily—for how long a period, I am unable to say—that stream has been cut through, and so all the undertakings of Canada, undertakings on the part of the federal and provincial governments, municipalities and corporations, have at once felt the need of retrenchment. The situation that confronts us is not a tariff situation but a situation brought about by the war and its financial consequences. One hon. gentleman has spoken of me as being optimistic. Perhaps that is not the happiest term for it. I have confidence in this country and confidence in things gradually righting themselves. The whole world is working towards that end. I do express myself as being hopeful that the first brunt of this matter for many industries, as I said yesterday, will be the worst. Now, if the hon. gentleman has it in mind that it would have been proper for the Government to have undertaken a revision of the tariff at this special session, then all I have to say is that his view is directly contrary to the view of the business community—I do not mean to say individuals of the business community, but the business community generally. It would have a most disturbing effect. The policy of the

[Mr. Macdonald.]

Government in this matter will be to watch the situation. It is only two weeks since war broke out. The Government will be prepared to take such steps as may be necessary to meet economic conditions as they arise. But I must not refrain from expressing to the House my conviction that any attempt on a large scale to radically revise the tariff at this time would make for disturbance of a situation which has been already seriously dislocated. I do not desire to enter, nor, I am sure, does the hon. gentleman desire me to enter, into a controversy about it, because that raises the fiscal question, but as he has called attention to the point, I think I should express in a general way my views. The Government will watch the situation and will be prepared to take such steps as may appear expedient and necessary for the purpose of meeting the conditions.

Resolutions reported and concurred in.

Mr. WHITE thereupon moved for leave to introduce Bill No. 9, to amend the Customs Act, 1907.

Motion agreed to, and Bill read the first time, and the second time, considered in committee, read the third time, and passed.

Mr. WHITE moved for leave to introduce Bill No. 10, to amend the Inland Revenue Act.

Motion agreed to, and Bill read the first time, and the second time, considered in committee, read the third time, and passed.

Mr. ROGERS moved:

That when the House adjourns this day it stand adjourned until to-morrow morning at eleven o'clock.

Motion agreed to.

Mr. ROGERS moved:

That this House do now adjourn, and that the order of the day for to-morrow's sitting be the same as the order for to-day.

Motion agreed to, and the House adjourned at 10.44 p.m.

Saturday, August 22, 1914.

The House met at Eleven o'clock, the Speaker in the Chair.

PROROGATION OF PARLIAMENT.

Mr. SPEAKER informed the House that he had received a communication from the Governor General's Secretary announcing that His Royal Highness the Governor