

her eight or nine millions of people, does more business with the United States and is in closer touch with that country than the whole of the continent of South America, with which the United States people are at present doing so much trade. There is no issue between us as to the necessity of maintaining the very best possible relations with our great neighbour to the south, and I am sure that every hon. gentleman on this side is as anxious as my hon. friend that those relations should be fostered and maintained. We may differ, of course, as to the best way of maintaining them.

At the present time when resolutions have been unanimously adopted, when a great election has been fought on the question of protection for American agriculturists, some of us may, perhaps, think that the best way of maintaining proper friendly relationships with that great country would not be by the adoption of a resolution accepting an old offer, the adoption of a resolution which could only be helpful if it was thought to have a binding effect upon the United States, a resolution thrown into their Congress after the policy of that Government has been declared. Some people might think that that was something rather in the nature of sharp practice than good neighbourly conduct. What happens if this resolution is adopted? In the first instance, what complaint has the United States against Canada? What grievance is there that hon. gentlemen would have removed? Let us see, first, if we can find out what that is. Are we not trading enough with the United States? Our trade with the United States is constantly increasing, with the margin constantly on the American credit side and not on the Canadian credit side. During the last eleven months Canada imported from the United States \$792,804,843 worth of commodities. Does that look as if we were not trading very largely with the United States, or as if there was any room for complaint on the part of American shippers against the tariff system of this country? During the same period we exported to the United States \$540,494,713 worth of goods. I wonder what my hon. friend thinks about adverse balances and debts which must be paid. I wonder if he thinks that there is no limit to the amount to which adverse balances can be allowed to accumulate. I wonder if he thinks that we are not owing now half enough and that any little barrier—and it cannot be very great in view of these

[Sir Henry Drayton.]

figures—that is left must be wiped away, never mind what the result may be. We have those adverse balances and they are mirrored in our currency. Last year the result was that we had a maximum of nineteen per cent discount on our Canadian dollar, and this agitation that exists to-day in the United States had its birth in the fact that we were buying foolishly, unwisely, in the American market. The trouble to-day about this Fordney Bill is not that we have been buying too little, but that we have been buying too much.

Mr. VIEN: Does the minister not think that if there is a tariff barrier keeping our goods out of the United States, the adverse balance against us will be still worse?

Sir HENRY DRAYTON: As I was saying, the adverse balance is the reason for the trouble that we have to-day, and if I understand the argument of my hon. friend, the idea is to make it still easier to increase that adverse balance against us by the reduction of Canadian customs.

Mr. VIEN: No, but to ship more goods.

Sir HENRY DRAYTON: What is this motion? What is the argument? The argument is reciprocity, friendly free trade. The real argument to-day, if it means anything, is that Canada is to give up anything and everything still left 5 p.m. by way of tariff protection. If you take it away, of course your balance will go up. As I was going to say, this adverse trade balance is the real reason for the agitation that has unfortunately sprung up—something which we all very much deplore—in the country to the south of us. While a depreciated currency is a very bad thing in a buying market, it is an excellent thing in a selling market. If we were having large balances of trade in our favour to-day with the United States; in other words, if we were selling three to two, a currency at a discount in that country would make for us and not against us. Why? Because we should pay premiums only on the two transactions while getting the benefit of the premium on the three.

Mr. MAHARG: I would like to ask the minister if our purchases from the United States are greater than our sales to them and our borrowings from them combined—that is, the value of our sales to them and the amount that we borrow from them?