

mounted to \$200. A speculator would say, "It is true that this gives me a return of only 3 per cent, but think of the future development of this country." Such was the optimism that the prices of stocks rose until the dividend was no more than 2 per cent. Stocks were divided, and profits given to the shareholders. Stocks were "watered" on the basis of reserves. That is what occurred up to 1929.

My honourable friend from Boissevain (Hon. Mr. Schaffner) may very well say that no other country ever ranked as high with the outside world as Canada does. The position to which my honourable friend has referred was not established yesterday. Since 1923 I have been crossing the ocean from year to year and meeting representatives of many countries, some of whom, with long faces and depressed spirits, have turned towards Canada and said, "What a lucky country you are!" That was the view which prevailed during the eight years of the regime of the Liberal Government. It may be said, "Well, that was probably a fair policy in fair weather, but it is a weak one in time of stress." I venture to say, honourable senators, that had it not been for the wheat slump we should have stood the test.

The Speech from the Throne says that Canada has been spared in some degree the hardships suffered by other nations. It has been spared, and I say that but for our wheat difficulties Canada would have gallantly ridden the storm, because our purchasing power would hardly have been affected. We have suffered from depression to a lesser extent, I should say, than the other countries of the world. To meet that temporary condition the present Government says, "The remedy is a higher tariff wall." If that were the true gospel, and if it were recognized throughout the world and generally applied, what would it mean? It would mean that every nation would be living within high tariff walls, and that outside trade would be denied; there would be no exchange, for the higher the tariff walls the greater would be the prosperity within those walls.

The Prime Minister has announced a higher tariff. I have stated what has been the average tariff. My right honourable friend the junior member for Ottawa (Right Hon. Sir George E. Foster) has had a hand in the making and administering of tariffs, and he knows what kind of tariff we have had during his regime and since: he knows that it was more than a moderate tariff. Having announced a higher tariff, the Prime Minister, as a logical sequence, proposes the denunciation of commercial treaties, because he has been asserting—and

we have heard it stated also in this Chamber—that those treaties were lowering the customs duties and reducing the protection to our industries. A higher tariff and the denunciation of commercial treaties are the principles for which my right honourable friend the Prime Minister stands. I would ask my honourable friends who face me to bring us information as to the number of commercial treaties that at this date have been denounced. Such treaties, since September last, are supposed to have been hurting the trade of Canada if they have been lowering the duties and running counter to the orthodox doctrine of high tariff.

At the same time, almost in the same breath, the right honourable gentleman says that he will strive for wider markets. This statement is to be found in the Speech from the Throne, and it was made officially in clear-cut terms by the right honourable gentleman from his place in Parliament during the short session of 1930. Surely the two policies are inconsistent. One cannot blast his way into foreign markets while refusing to open his own markets. There are always two parties to a bargain, and fair trade is fair exchange. We may raise our tariff walls, but in so doing we endanger—we may even destroy—our export trade, which provides, to a large extent, and has provided, employment for thousands and tens of thousands of working men engaged in our industries.

Surely no one in this Chamber will claim that we should be limited to our domestic market. Many of our commodities we export, and must export. Take wheat for example. We shall have to find export markets for our wheat and many other things that go to swell our volume of trade. Shall we obtain any favours in foreign markets without giving favours in return? We read last week or the week before that France had erected a tariff of \$2.50 against Australian wheat, because Australia had raised its tariff wall so high that no French goods could pass over it.

Hon. Mr. CASGRAIN: That is \$2.50 on 100 kilos.

Hon. Mr. DANDURAND: Two dollars and a half per quintal. France is protecting itself against the importation of wheat from Australia because Australia will not reciprocate.

When the Prime Minister came back from Europe he stated, and I was very glad to hear it, that the French Government would buy some of our wheat. But, I should like to inquire, did he obtain that promise just for the asking? What did he give in return?