

structure of a country. The tariff is an instrument that has to be used very skilfully and carefully, if the whole fiscal, financial and commercial structure of the country is not to be affected. It is an instrument which might be compared to the scalpel of a surgeon, which must be used with great dexterity and skill if the needed change of condition is to be brought about. But what has my right hon. friend done?

Mr. RYCKMAN: Oh, oh.

Mr. MACKENZIE KING: I do not wonder that the Minister of National Revenue (Mr. Ryckman) laughs. He does not understand it; it cannot enter into his mind—

Mr. RYCKMAN: A medical gentleman behind me was saying that he would like to have his scalpel on your head. That is why I laughed.

Mr. MACKENZIE KING: The Prime Minister, instead of regarding the tariff as a delicate instrument of the kind, has used it as though it were, as someone suggests, a broadaxe—I was going to say a broadsword or a cutlass—after the fashion of a swash-buckling buccaneer in the spacious days of Elizabeth. That is the way in which my right hon. friend handles the tariff; he swings right and left in any direction regardless of where he strikes. Is there any wonder that, with conditions as they are at the present time, the country is in a state well nigh of panic?

There were days when hon. gentlemen opposite used to talk about an adequate tariff, a stable tariff. It seems to me that the present tariff can be best described as a spasmodic tariff, a sort of intermittent fever tariff, for it varies from day to day. Let me say to my right hon. friend that there are a good many business men in the country to-day who think they are entitled to a right of action against the government. They feel that the way in which the government has used the anti-dumping provisions, the way it has fixed valuations without any authority by act of parliament, resulting in loss to their businesses, is in what it has exacted in duty payments nothing short of confiscation of capital. I suggest to my right hon. friend that he give a fiat to some of those concerns that would like to ascertain what remedy they have in court against the action of his government. I submit that in all seriousness. Unless he wishes to deny simple justice to the business concerns of the country, I suggest that he take that course.

[Mr. Mackenzie King.]

Let me proceed. The speech from the throne says:

This period of trial has shown the Canadian situation to be fundamentally sound.

This is true, thanks, not to this government, but to a long-suffering people.

The over-subscription of the national service loan manifests both the unity and patriotism of the people, and their supreme confidence in the financial strength of the Dominion. Canada still maintains its high place in world commerce.

Here is another sentence that is interesting:

Within the last few months, a favourable balance of trade has been established.

That is a simple statement, but the implication is that some great end has been achieved through the establishment of a favourable balance of trade. May I point out that my right hon. friend has not always held the view that a favourable balance of trade of itself determines progress. Speaking in this house on May 18, 1926, he said, in reference to the budget introduced by the then Minister of Finance, Mr. Robb:

The Minister of Finance (Mr. Robb) and the right hon. the Prime Minister (Mr. Mackenzie King), reflecting his mind, point out that there was a balance of trade in our favour during the past year of \$402,000,000. I had thought that the practice of computing a country's prosperity solely by reference to the trade balance had been altogether abandoned.

That was his view then. Now apparently he regards a favourable balance of trade as the all-important objective of government, regardless altogether of circumstances. I do not wonder that hon. gentlemen opposite would like to attach much importance to favourable balances of trade seeing that under the recent Liberal administration they were synonymous with progress. During the days of great prosperity under the Liberal administration there were many instances of favourable balances of trade. There have been few favourable balances under any Conservative administration. Let me give to the house a few particulars with respect to favourable balances of trade so-called. The Conservative party came into power in 1878, when the national policy was introduced, and remained in office until 1896, a period of eighteen years. During that time, under the administration of Sir John A. Macdonald, the national policy was administered for the most part by a master hand. How many favourable balances were there in Canada in that period? In those eighteen years there were five trade balances that were favourable and thirteen that were unfavourable. The total favourable balances amounted to \$19,126,193. There was one other instance of a favourable balance of