

The Budget—Mr. Bennett

price, we cannot afford to say, "Here is our market; take it." We cannot do that, and we will not. What is more, I am willing to submit to the people of this country whether, in an emergency and a crisis such as this, we should not have recourse to every lawful means that lies within our power for the purpose of effectuating the solvency and the credit of our country.

Mr. MACKENZIE KING: May I ask one question? In that connection does my right hon. friend recognize—

Some hon. MEMBERS: Sit down.

Some hon. MEMBERS: Oh, oh.

Mr. MACKENZIE KING: I am trying to follow the right hon. gentleman, I hope with due deference. What I wish to ask the Prime Minister is this: In connection with what he was stating a moment ago, does he recognize any distinction to be made between a tariff that is protective and one that is prohibitive, for the purposes he mentions?

Mr. BENNETT: Certainly. As pointed out in the extract from which I have read, it may well become highly desirable that it should be prohibitive. It becomes of the utmost importance, because otherwise you only accentuate the evil you are endeavouring to cure. That is the reason it is done, and that gives me opportunity to make some reference to what the right hon. gentleman quoted this afternoon from the address of the president of the Robert Simpson Company, with regard to his inability to import certain goods into this country from continental Europe, except under tariffs that he thinks are prohibitive. The answer to that may be given in one word: p-r-o-h-i-b-i-t-s. That is the answer, and no one knows it better than the gentleman who made the statement. When you find, as Mr. Burton was quoted as having said this afternoon, that he wished to get goods from continental Europe at 30 cents on the dollar, paying a normal tariff, you find that he would thereby place in an intolerable position every man or woman in this country who is endeavouring to maintain the economic life of Canada.

Mr. MACKENZIE KING: I do not wish to interrupt my right hon. friend,—

Some hon. MEMBERS: Sit down.

Mr. MACKENZIE KING: I hope this will not be regarded as an interruption; I have asked the Prime Minister for permission.

Some hon. MEMBERS: Sit down.

[Mr. Bennett.]

Mr. SPEAKER: If the right hon. Prime Minister wishes to permit an interruption he has a perfect right to do so, and I would ask hon. gentlemen on both sides to leave the debate in the hands of those conducting it.

Mr. BENNETT: If the right hon. gentleman wishes to ask a question, I am glad to permit him to do so.

Mr. MACKENZIE KING: The point is this: Mr. Burton is not here to speak for himself, and his name has been brought into the discussion—

Mr. BENNETT: By the right hon. gentleman.

Mr. MACKENZIE KING:—this evening by the Prime Minister with relation to his objection to the duties. My understanding is that the exception taken by Mr. Burton was to the changes made in valuations on orders that had been previously placed, not with regard to orders placed after changes had been made in the tariff.

Mr. BENNETT: I was referring to what was read this afternoon by the right hon. gentleman. He brought Mr. Burton's name into it and read his address to the company's shareholders. He endeavoured to impress upon this country through that statement that Mr. Burton found that business was being circumscribed by reason of the action we took. My response is this: Profits undoubtedly were restricted, and because we denied to him the right to bring from Czechoslovakia and central Europe the goods he mentions at 30 cents on the dollar, and indicated that we do not propose to have our balances destroyed and our country made the dumping place for these products, we are attacked by the leader of the opposition.

Perhaps this would be a fitting place to refer to the statement made as to the favourable balance of trade so far as Great Britain is concerned. I wonder if this house realizes that instead of there being a favourable balance of trade with Great Britain, we have just the opposite. The visible balance is favourable, but we owe large sums of money to Great Britain, estimated by Professor Taylor of McMaster university to be \$148,000,000. We must have an increasing visible balance in order to overcome the invisible balance which is against us. In other words, we owe millions and millions of dollars for interest on money borrowed, and that has to be paid; we owe for our public debt, and that has to be paid; we owe for shipping and services, and they have to be paid—we have to sell