

her old free trade policy. It seems to me that if at the present time this parliament and that of Great Britain do anything towards ratifying an agreement which would allow free entrance into Great Britain of products which after November 15 or a later date would be subject to duty, we are not subscribing to the principle of fastening a high tariff on Canada or the empire. We are today facing a changed world, and especially is that so since Great Britain adopted the policy of protection. In order to be fair I should call attention to the exemptions in the first schedule, namely, gold, wheat, maize, meat, live quadruped animals, fish, tea, and so on. The schedule is somewhat extensive.

The question is asked: "Is it conceivable that Great Britain would raise her tariff against Canada?" Some years ago the question was frequently asked: "Is it conceivable that Great Britain will ever abandon free trade?"—and she did. We cannot tell what may happen, but I think it is fair to state that because of the terms of the Import Duties Act there is that possibility. If the agreement means anything it means that by it we are avoiding the application to the Dominion of Canada of the British protective tariff. And it would cover I presume manufactured goods going from Canada, and some other products. But I am more particularly interested in the provisions regarding wheat, cattle, and pigs. I have a lumbering industry in my constituency, but the prosperity of that rests almost entirely on the condition of agriculture, and I think that is true of most of the other industries, with the exception of the great coal industry. In view of the fact that Great Britain exempted wheat from all countries until the time of these agreements, it might be argued that she would exempt wheat for all time. But it is hardly conceivable that if these agreements were not ratified by the parliament of Canada our wheat would be exempt. If an agreement is signed between India and Great Britain, and between Australia and Great Britain, and ratified, is it conceivable that if we do not ratify this agreement we would still be in the same position as Australia and India? It may be said that this agreement is going through anyway, the government has a majority to do so. But as far as my attitude is concerned I take it I have to accept the responsibility of saying I want the agreement rejected or passed. A few years ago it was argued that Great Britain could not get along without Canadian wheat. We had that idea in our minds for many years, but some years

[Mr. D. M. Kennedy.]

ago we woke up to the fact that if they could not get along without some of it they can nevertheless do without a great deal of it. I think it is foolish to say that we can reject this treaty if we like and still stay within the dominions' preference.

Now, Mr. Speaker, I do not believe that the so-called six cent preference—with exchange as it stands it is not quite that, I believe—will make much difference. It has been said by some that it may raise the price and by some that it will actually reduce the price. I think the argument that it will reduce the price to the people of Canada is rather trivial, and I think the statement that it will raise the price is not reasonable, as far as I can understand the situation. However, before I deal with that I want to deal with this question; if we reject this preference what will happen to the farmers of western Canada? In my judgment they will have to pay to get into the British market. The cost of producing wheat in western Canada today is somewhere around sixty to sixty-five cents a bushel according to *The Study on the Cost of Producing Farm Crops in the Prairie Provinces*, by Hopkins, Armstrong and Mitchell. The price that wheat nets to farmers in western Canada today is somewhere between twenty-five and thirty cents a bushel on an average, if it is that. It is not any better, considering average grades and average shipping points. If under these conditions we have to pay an additional six cents to get into the British market I wonder if that will be in the national interest, or in the farmers' interest. I do not think it will be either, nor do I think it will be in the interest of the British Empire. The price we are receiving for wheat in western Canada today does not much more than pay the incidental cash outlays in connection with its production. I doubt if there is any allowance for fixed charges on land, or even a reasonable wage for the farmer.

Now this six cent preference will not raise the world's level of prices in my judgment. We have a tariff against wheat coming in from the United States of about forty-two cents, as it works out at present; thirty cents against the world and less than that from empire countries. But the tariff does not keep up the price of wheat in Canada. I suppose the people of the United States came nearer thinking they could raise the price of wheat in that country by a tariff than any other country in the world having an exportable surplus. We all remembered how the tariff was raised against Canada because after an investigation into the cost of producing