

past president of the Vancouver Board of Trade in which he says:

Manufacturers interested here favourable to dairymen's request for increase in butter duty.

Mr. MILLAR: Would the hon. member kindly answer my question?

Mr. McRAE: The hon. gentleman's question is a proper question for the commission that next negotiates a treaty with Australia.

Mr. T. W. BIRD (Nelson): Mr. Speaker, I want to support the amendment moved by the hon. member for Acadia (Mr. Gardiner), and in order to justify my action I purpose, in as brief a manner as possible, to prove that the amendment is capable of rational explanation. That remark causes a titter of incredulity, but the difficulty is not on the side of proving it; it is probably rather on the receiving end.

As a matter of principle I am opposed to treaties of this character. A treaty of this kind is the fruit of the protective principle. Given protection as a fiscal policy, you must follow it up by treaties such as this, because if you give privileges in the home market you thereby in various ways create penalties in the export market. By creating privilege at home you increase the cost of production. It may be that I am indulging in platitudes, but these things have to be driven home continually, because they are just as continually forgotten. When you protect the manufacturer at home you increase the cost of production and put the manufacturer at a disadvantage in the foreign market. It then becomes necessary to have some device to enable the manufacturer who labours under this difficulty to export his goods. Not only that; there is a psychological side to the question. We protect our manufacturers at home and thereby throw out a challenge to the manufacturers abroad; tariff wall is raised against tariff wall. Not only so, but the natural channels of trade are thereby obstructed.

We had a very convincing argument as to the undesirability of that last night from an unexpected quarter. My friend from Vancouver Centre (Mr. Stevens) pointed out the undesirability of deflecting the direct courses of trade. The more direct the line of approach between exporting and importing countries, the more benefit may be derived from both parties concerned. With protective tariffs those lines are bent, and instead of direct trade there has to be three-cornered trade. Worse than that, trade has to wander all over the face of the globe before it finds its object. It is admitted these days, especially in the League of Nations, that tariffs are not

conducive to international good will, but that they create ill will. So by artificial means which basically are unjust we raise up obstacle after obstacle, and crown every one of them with the barbed wire entanglement of international ill will. Then, having created a mischief, we seek to remedy the situation by further privilege. That is to say, this protectionist doctrine is like the vice of taking drugs: the habit has to be continued by additional doses. The protected manufacturer who, by reason of his protection, is placed at a disadvantage in the foreign market, has to be subsidized in order that he may surmount the obstacles which his protectionist principles have placed in the way, and you have once more to penalize other activities in the community in order to allow him to sell his protected goods in foreign markets. That, in brief, is my case against this class of trade treaty.

But may I say further that you are not through when you have given the second privilege; because as in the case of lumber you have still another subsidy. The people of Canada are called upon to assist once more in order to subsidize steamships to get lumber over these artificial obstacles that are put up.

Mr. STEVENS: Lumber is on the free list.

Mr. BIRD: I understand manufactured lumber is not on the free list.

Mr. STEVENS: All this lumber we are talking about is on the free list, and has no protection whatever. That being the case, my hon. friend's argument falls to the ground.

Mr. BIRD: My argument does not fall anywhere near the ground, because in the first place I was not contradicting my hon. friend. I am not very well acquainted with the subject, but my hon. friend from Rosetown (Mr. Evans) hands me a copy of the customs tariff amendments. I find that items 503 and 504 cover rough lumber, and I believe that to mean lumber which has just been taken out of the bush.

Mr. STEVENS: No; read the items correctly. Read the two items.

Mr. BIRD: Item No. 505 is as follows: Sawn boards, planks and deals planed or dressed on one or both sides, when the edges thereof are jointed or tongued and grooved.

The British preference on that item is 17½ per cent; the intermediate tariff is 22½ per cent, and the general tariff 25 per cent.

Mr. STEVENS: My hon. friend is not reading the item he referred to. Items 503 and 504 are free, and the hon. member is not reading them.