

product of their manufactures, and compete with a country that gets it at a lower price.

Hon. Mr. McCALLUM—They can do it by a rebate.

Hon. Mr. BOULTON—That is exactly what I am coming to. I was merely explaining why the government in order to retain the Massey Company and other companies within the confines of Canada to pursue an industry that they had all the facilities for pursuing in the confines of Canada and make this a field for operating instead of the United States for foreign markets, that the government adopted the policy of giving a rebate on exports; that is to say, that any machines that are made by the Massey Company to be exported to Russia, the Argentine Republic, Australia or the European continent or any other part of the world should have the benefit of the cheaper material for manufacturing purposes than we are to be allowed to compete with in Canada in the purchase of machines from the Massey Manufacturing Company. Now, hon. gentlemen the price of our wheat is gauged entirely by the export value. We have to compete for the sale of our wheat in the English market, which is the great consuming market, and consumes all the surplus product that the world offers, and the price of our wheat is gauged entirely by the value that we obtain in competition with other countries in Great Britain. We have to compete there with Russia, the Argentine Republic, Australia and with India and all other countries. Now, the policy of giving a rebate on exports is a policy to enable the manufacturer in Canada who is protected by the advantages that Canada offers. They are going to be put by a remission of taxation upon their raw material in a position to sell to our competitors machines for the production of wheat, and every other line of industry in which we enter into competition with them at a lower rate than is to be allowed to be purchased by the people of Canada.

Hon. Mr. McCALLUM—Supposing we do not manufacture them in this country at all. They cannot export them. The people get the benefit of the employment here if they are taken into other countries. The object of manufacturing is to get the money made for the labour of the people and manu-

facturing men. If they did not manufacture them here, of course they would not want the drawback; so, really, the government loses no money by manufacturing these machines in this country but on the contrary, when they export them to other countries we get the benefit by our people being employed in their construction.

Hon. Mr. BOULTON—Well, the hon. gentleman has put it from the manufacturers' standpoint, or, perhaps, from the protectionists' standpoint, but all manufacturers are not protectionists. The hon. gentleman has put it, probably, from the standpoint in which he enjoys the benefit of being in proximity to the manufacturer as a farmer which he is—a large farmer. He puts it from that standpoint. I would however point out to the House of Commons that under a system of free trade the growth of our towns and cities will be greatly stimulated under the commercial system of free trade. I am presenting it from the standpoint of the farming community of the great West, which depends entirely upon seeking a foreign market, thousands of miles away, for the sale of their product. If by a different system those centres which consume our wheat can be brought closer under a more enlightened policy. We are put at a very great disadvantage in producing our wheat with machinery that costs more than we are by legislation permitted to purchase, while Russia and people in other countries enjoy a rebate. Now, I do not think that any one can successfully argue and successfully refute the statement that if it is necessary for the Massey Manufacturing Company to get into the markets of the world to sell a machine that will find a ready sale in the markets of the world, and that in order to enable them to do so, it is necessary to put them in a position to produce that article cheaper, that they have to compete closer and have to sell for less, then I say, hon. gentlemen, it unquestionably must be sold to those foreign countries cheaper than it would be allowed to be sold to the people of Canada, and what I wish to argue is that if it is advisable to stimulate our manufacturing industries—my hon. friend from Welland stated by a rebate on exports—why is it not advisable to put the people of Canada in a position to sell everything they are able to sell in the markets of the world by a rebate on exports or on