

industries for the development of the resources of the country, are putting it into bonds and securities. They are not going to take chances in putting their money into industrials, where they are not sure of the stability of the country or of the government; because the tariff policy may be changed at any time. Instead of being a proof of the good condition of Canada, I think this is an indication that the people of Canada are afraid to invest their money in industries and industrial projects.

The question of free trade has become a hobby with the western farmer, but I think their trouble lies in another direction, and I think I will to some extent convince my hon. friends that my theory is nearer right than theirs. The trouble is not so much the changes that are made in the tariff at this particular time as the indications that it is only a step, and God knows how long the next step may be. This, on the investor or the industrial man, whoever he may be, whether located here or elsewhere, has the effect that he does not want to take any chances. If his money is in his pocket or in a bank or in bonds, he is going to leave it there; he is not going to put into industry when he does not know how that industry is going to be affected by some changes in the tariff. Let me illustrate how the present tariff changes appear to me. I read a little of the Bible occasionally and I was reading a little this morning. In the fifth chapter of Exodus, seventh and eighth verses—there are some reverend gentlemen present and they can look this up—I find that when the Israelites were in bondage and were groaning under their load of persecutions and burdens, the knowledge of this came to King Pharaoh. It appears that in those times they were making brick from straw, and Pharaoh called his taskmasters together and he said to them: Take away the straw from these dissatisfied Israelites, but continue the tale of brick. Let them find their straw where they will. That is about the way in which this budget is going to deal with the industrial people—it is going to take away their protection, but to increase their burden. Pharaoh asked only that the tale of brick be not diminished; but as I understand the matter, when you diminish the taxation on one element of the country, you increase it on another. About half a billion dollars is required to carry on the country's affairs, and somebody has to pay that. If you relieve one element of their burdens either by reducing taxation or by reducing the sales tax, you increase the burden on somebody else, so that in that respect

[Mr. McCrea.]

the Acting Minister of Finance (Mr. Robb) is one step worse than Pharaoh. He is not only exacting the tale of brick that was usually produced, but he is increasing the burden and taking away the protection.

Let me refer for a few minutes to conditions in my riding and in some of the other ridings surrounding mine. The city of Sherbrooke has about twenty-five or thirty industries employing, when they are running to capacity, or nearly to capacity, about 4,500 men. Twelve of those industries, employing about 2,400 men, are branches of American industries. Will any of those advocates of free trade, such as the apostle of free trade from Brome (Mr. McMaster) tell me why those industries came to locate in Sherbrooke and Drummondville? Was it on account of the good looks and the good behaviour of the people of that section, or what was it? I will tell you why they came, and they came for no other reason than this. They came, not because they could not manufacture those goods in their home town, only a short distance away, but because they wanted to get the benefit of the Canadian market to sell their goods in without paying the Canadian tariff duty. Someone will say: We do not want those American people to come and locate in this country, make big profits and take the money home. At the present time they are not taking very much money home, but they are putting some of their own money into their business to keep it going until they can get work. These people are employing Canadian labour; they are paying good wages; they are buying Canadian goods. They are building up, not only their own industry, but the city of Sherbrooke and other cities where they locate. They are buying Canadian goods and Canadian foodstuffs. Farmers from the surrounding country for miles, even some farmers from Brome where the apostle of free trade comes from, visit Sherbrooke, get good money for their agricultural products and return home satisfied. Would they have that market if it were not for those industries? The same thing applies to Drummondville. The hon. member for St. Lawrence-St. George (Mr. Marler) knows all about that section of country, and he knows that ten years ago the town of Drummondville, which was the county seat, was as dead as a door-nail, with no business, no sale for anything and property scarcely worth the taxes. Today property in that town is worth three or four times what it was ten years ago. Not only has the town been built up, but the whole surrounding country has a market for