

Another Canadian industry that is going to be injured by this treaty is the textile industry, and injured not only by the United States but perhaps much more seriously by Japan, where women are paid five or six dollars a month and men twenty-five dollars a month for the ordinary type of labour. Our wages in Canada are many times that amount. But Japan gets the benefit of this treaty, as well as the United States, because the former is one of the favoured nations, and without doubt Japan's exports of textiles will seriously injure the textile industry of this country.

On the other hand take a natural product like potatoes. I have seen many articles in the press, and in particular one press release, with respect to the great gain it is going to be to Canada to have under this treaty an increased quota of Canadian potatoes going into the United States. I speak subject to correction, but well informed people in New Brunswick have told me that one county alone in that province could supply the whole quota of potatoes permitted to enter the United States from Canada. If the statement is not correct, people from New Brunswick can correct it. I am giving the house just what has been stated to me, that the quota allowed under the treaty is so small that the increase will make no great difference.

Time alone can tell what will be the results of this treaty, and we must just judge it as a whole. But there are a few outstanding facts about the treaty which I wish to mention.

Unless the increase in trade is sufficient to make it up, there will be a loss in revenue. Take, for instance, the three per cent excise tax, which is being removed from the articles included in the agreement, and which without doubt will have to be removed from a number of other articles. That tax brought in last year a revenue of just under \$19,000,000. The Minister of Finance is probably beginning to worry where his revenues are going to come from. I think the removal of the three per cent excise tax will hurt Canada materially in the way of decreased revenues.

Another outstanding feature of the treaty of which everybody is aware but which should be emphasized, is the removal of the six cent preference on Canadian wheat which was obtained for Canada in 1932 at the empire conference in this city by the government of which I had the honour of being a member. To me the removal of that six cent preference is a serious matter. The history of preferences granted by Great Britain to Canada goes away back to the Liberal party under Fielding in 1897, and from 1897 right down

[Mr. Manion.]

to 1932 efforts were made by both Liberal and Conservative governments to obtain from the British something in the way of reciprocal preferences. The six cent preference on wheat, obtained in 1932 was an important one, but it has been wiped out by the treaty, and its removal will hit us in many ways. Perhaps the west are not objecting to this so much, may be on account of the fixed price on wheat; and after all it cannot affect the west very much this year. But there is this consideration, that every bushel of United States wheat that goes into the British market, the biggest wheat market in the world, and a great market for many other products, replaces just that much Canadian wheat. It means just that much more competition against Canadian wheat. It means just that much more Canadian wheat that we cannot sell because the United States raises the same type of wheat that we do.

But that is not the only disadvantage we suffer from the wiping out of this six cent preference on wheat. There is the question of how business going through our own Canadian ports will be affected. This very day I received a letter from the port of Saint John advising me that business through that port has fallen off markedly since this treaty went into effect, and undoubtedly all the ports of Canada—Montreal, Quebec, Saint John, Halifax, Vancouver—will be affected. Under the six cent preference on wheat, the grain had to go through Canadian ports. I well remember, coming as I do from the head of the lakes and knowing something of the wheat business, that before the war about two-thirds of our Canadian wheat instead of passing through Montreal or Saint John or Halifax went through Buffalo and New York. I tried to get the figures, but it is not easy to get them. I did not get the figures for before the war, but I got them from 1921 on. I find that in 1922—I take the worst year—only 29 per cent of Canadian wheat went through Canadian ports and 70 per cent through United States ports, whereas last year, 1938, eighty-two per cent of our Canadian wheat went through Canadian ports and only 15½ per cent through United States ports. That is a marked change. I am not going to give the figures for all the years, but I say that undoubtedly the removal of this six cent preference on Canadian wheat is going to hurt Canadian ports. Does anybody suggest that it is not going to do so? I cannot imagine that any such suggestion could be made.

Why, Mr. Speaker, the very day after the treaty was signed, word came from New York that the United States was going to get