

is lumber for shipbuilding and props. We might have shipped a good deal of lumber for shipbuilding, but we are forbidden to do that. Much has been made by speakers in the house and in particular by the Prime Minister himself of the fact that British Columbia, on account of this 10 per cent preference, would be able to get part or the whole of that business in lumber which is now shipped from the western United States, Oregon and Washington, to the British market. That is true. We have obtained some of it. We have something like 65 per cent of it now, but that is not wholly due to the ten per cent preference—that of course, counts its full weight—but it is also due, to the extent of some 7 per cent, to the incident of the exchange which amounts to about that sum. That exchange is likely to disappear at any time; its operation is uncertain; you cannot calculate on it in building sawmills or anything of that kind, and it is very doubtful whether the ten per cent alone would be of any value if it were not for the addition of the exchange.

There is one thing we do know and are quite sure of, in spite of my hon. friend who has just spoken, and that is that a ten per cent preference will not allow us to compete with Scandinavia. I have an illustration under my hand, but I have not time to quote it all. In working it out I have allowed fairly and justly for the preference on the one hand and the disadvantage of the long haul, which is something like \$12 a thousand on the transportation. On the other hand I have put the ten per cent duty, and I have not forgotten that the ten per cent is paid, not only on the lumber but on transportation too. This leaves an advantage to the British merchant to the extent of \$3 a thousand to buy from Scandinavia rather than from British Columbia. The British people will continue to buy from Scandinavia, as they always have, such lines as they furnish, and what is not available there, they will buy from the United States. Of the latter part we will get a portion on account of the ten per cent preference and the exchange situation, but that and that only. We shall not be able to go into competition with the ordinary Scandinavian market in Great Britain.

As regards Russia, the matter depends upon article 21. The British have undoubtedly, as has been made so much of, abrogated the agreement, that is the favoured nation agreement, but that is talked about as if they had imposed an embargo. They have done nothing of the kind. This is an ordinary condition necessary to the readjustment of their arrange-

ment. The very sentence in which they give notice of the abrogation expresses a fervent and no doubt willing and sincere desire to increase their trade with Russia. Under article 21 only one action could be of any good to us in British Columbia, and that would be a complete embargo. There is no suggestion in article 21 that in any way we can get or are entitled to that. It is hardly likely that the British people, needing lumber as they do, would accept a complete embargo, especially as they find we are engaged *sub rosa* in dealing with Russia. If you will read article 21, you will see the real meaning of it. Somebody said that he was not able to understand it. It is quite simple. This is what the British say they will do: If, through state action on the part of any foreign country, there is what might be called dumping, the British government will take steps to prohibit the entry from such foreign country of such commodities for such time as may be necessary to make effective and to maintain—what? “The preferences hereby granted.” What is the preference? It is ten per cent, and that is all in God’s world they have to do. They have to maintain the preference of ten per cent. They have not to let our lumber in; they have not to impose an embargo; all that they have pledged themselves to do is to take such steps as will enable them to maintain a preference of ten per cent, and a preference of ten per cent will never permit us to compete with Russia. That is the explanation. If it enabled us to do so, we would have to give the government credit for the suggestion. I am willing to go this far: I believe the Prime Minister, tried to have this brought about, but he was attempting an impossibility. We must face the situation. It is a case of trying to make water run up hill. Our natural markets for our British Columbia timber for export, besides Japan and so on, are in the northern United States, Nebraska, the Dakotas and so forth, and the midwestern states. The farmers there want cheap lumber and that is what we have. Anyone can sell No. 1 lumber; it is the second grade we want to get rid of. We have indulged in a tariff war with the United States, but I do not blame the present government for this because it was the United States who started it. Bernard Shaw expressed the opinion that a tariff war of this nature is like a man finding a dead cat in his garden, throwing it into his neighbour’s garden, his neighbour throwing it back, each of them keeping on doing that and getting madder and madder without any specific advantage to either, or even to the cat. Let me give an example of the situation: in British Columbia we make