

and 155.9 million bushels below the pre-war average, 1909-14. This is the real change in the world situation. Bringing this down to specific countries, France, Germany and Italy account for most of the change.

Over on the next page there is one other paragraph I should like to quote:

While agricultural protectionism was a policy of several European countries for many years in the nineteenth century, there was really no decided tendency toward exclusion till 1925, when Italy and Germany increased their duties on imported wheat.

Then he goes on to give those duties, which I meant to read but will not because I do not wish to go beyond eleven o'clock. That was the period when exports to the importing countries began to contract, and that contraction is what has put Canada into our present difficult position. I was going to quote a speech by Mr. John I. McFarland showing higher imports in one year than the average given here, but I will not take the necessary time. I should like to add a couple of other points merely for my own record. Our carry-over on August 1, 1929, amounted to 127,000,000 bushels, and in 1932 we had the lowest price in the history of the world, below 40 cents a bushel.

Having laid that foundation, sir, I want to repeat that to my mind the east and the west are complementary one to the other. If the west prospers, so does the east, because the west buys our goods and we buy a certain amount of theirs, although of course not enough to utilize their whole production. I admit at once as an easterner—although in Fort William we think of ourselves as being in the west—living here at the moment, that tariffs cannot help the wheat grower of the west, although they do help to create and protect markets for the farmers of the east. Wheat, being subject to world competition both as regards price and sale, cannot be protected. I want to go on to say, however, that I believe the price put upon protection by the west is absurd. I have reference to such statements as are contained in a memorandum which was prepared for the maritime provinces by the Minister of Labour (Mr. Rogers) before he became minister, in which he apparently takes the average duties on goods and applies them to all the purchases of the west, adding the resulting figure to the cost to the west of the tariff, and making huge figures of cost of from \$50,000,000 to \$100,000,000. To me that is absurd. I think in many instances the eastern manufacturer takes no advantage at all of the protection he is given. Some do; some even are guilty of exploitation, if they get the chance. I think that should be stopped where it is found to

[Mr. Manion.]

exist, but I know many lines of goods in which the duty makes no difference whatever. I could give many items on which there is a duty of perhaps 25 or 30 per cent but the prices of which are as low in Canada as they are in the United States. In those instances the tariff is protecting the market for the Canadian producer. So I think those from the west who take the attitude that the tariff means to them an increase in cost equal to the average duty on all the goods they buy, are making a statement which I do not believe could be substantiated in any way.

Then I should like to say one thing further, and I do not want to be misinterpreted as being at all critical. I want to point out what so far as I know has not been pointed out, which is that there have been compensations both ways, from west to east and from east to west. There is no doubt that the wealth produced by the grain growers of the west has enriched Canada to a very large extent. I admit that at once; but on the other hand eastern Canada has contributed generously in many different ways to the west. I jotted down some of these ways while listening to the minister. We claim, I think rightly, that we have the lowest freight rates in the world, yet we have a heavy deficit in connection with the operation of our railways. That is an indirect contribution to the west. No other country in the world carries grain over such distances at such low rates. That is one contribution. Another is the coal bonus, to which the minister referred. Another is the construction of the Hudson Bay railway.

Mr. YOUNG: I should like to ask my hon. friend if the coal bonus does not enable the people of the east to obtain coal more cheaply?

Mr. MANION: It enables them to get western coal more cheaply, but not other coal. You could get United States coal much more cheaply if you took off the duty and let it come in free.

Mr. YOUNG: Suppose we followed the policy advocated by the Conservative party and imposed a duty of \$5 or \$10 a ton and let the central provinces pay that price; what would you think about that?

Mr. MANION: We have not put on a duty of \$5 or \$10 a ton. We have imposed a duty on coal, partly to protect the west. My hon. friend seems to forget that our government did pay out bonuses. I have forgotten how high they went, but I think they amounted to \$1.50 or \$2 a ton on coal coming from the farthest parts of Alberta to Ontario. I believe that is being done even to-day by the present