

quarters of 1925 as compared with the parallel of 1924. Canada is, perhaps, not near the high tide of prosperity which the United States is enjoying, but the divergence between the conditions of the two countries is diminishing and it is expected that in the coming year Canada will enjoy a period of prosperity equalling that of her southern friend and neighbour.

It is well to take the opinion of the outsider and to believe that expectation will be realized. If we look around this country, there is undoubtedly an improved condition; but what I would like to make clear at this time is that during this period of so-called "blue ruin", Canada has set her house in order; her national finances and her railway financial situation have improved; trade through Canadian ports has developed and increased; our trade balance is a favourable one to-day, and for a people who were confronted with conditions that according to some people were disastrous in 1921, we have, in the short space of four years, passed from a period of distress to a period of optimism, a period that could be made optimistic if Canadian public men would play fair with Canada.

My hon. friends have apparently worried very much about the exportation of raw material from Canada. What nation in the world does not export the raw material that it does not require in its own industries? I know of none. The hon. member for Nanaimo (Mr. Dickie) spoke of raw material that was not replaceable and when checked by another hon. member who suggested cotton, he said that cotton was replaceable. That is quite true, but spruce trees can be replaced just in the same way as cotton, the only difference being that the process is longer. Do my hon. friends opposite say that the crude oil that comes out of the fields of the United States is replaceable? But still the surplus crude oil is exported from the United States to Canada and other nations of the world. We heard within the last few days our United States friends complaining that they were not getting enough raw rubber, and they were blaming Great Britain for holding it back. Great Britain from the colonies where rubber is produced exports that raw material; she does not take it to Great Britain and manufacture it there. In the same way the United States export the surplus of their cotton crop to Great Britain, France, Germany and other nations which are in the keenest competition with them in the fabric industry. She exports cotton because it is profitable to do so.

As regards the exportation of pulpwood, we know that in every province of Canada except Nova Scotia it is not permissible to export pulpwood from crown lands—that is, not only provincially but federally-owned. Under
[Mr. J. H. King.]

these circumstances the only timber that can be exported is that on land which has passed from the crown to the individual homesteader, the individual settler or farmer who happens to have a wood lot on his farm, or the company or individual who, by purchase or agreement, has come legally into title of lands carrying pulp timber. That quantity amounts to only about twelve per cent of the total. With this new government in Nova Scotia and with Mr. Barnjum a member of the legislature, we shall surely look forward to legislation being passed in that province that will place its crown lands in the same position as crown lands in the other provinces, and that will not permit the exportation of pulpwood from its crown lands. That is surely to be expected at this session of the Nova Scotia legislature.

But is there great occasion to worry? No. No other industry in Canada has developed so rapidly and substantially as the paper industry. Within the last three years Canada has grown in the production of paper, so that this year she will be the largest exporting nation in the world of newsprint and paper. How is that coming about? Because we have the raw material and we have those great undeveloped water-powers which will bring and are bringing to this country the capital necessary to develop this great industry. Therefore, if there should be for the time being a dwindling quantity each year from farmers' lands, or from individual or company holdings, of certain timber or pulpwood going to the United States, I would not lose a great deal of sleep over that. If the industry continues to develop as it is at present, it will not be long before we shall absorb all the pulpwood that comes from the farms and individual limits in Canada itself. That would be much better than the suggested policy of my hon. friends opposite, a policy which their government, if they ever were or ever became a government, would not dare to put into effect.

It is surprising to find the great interest that the Conservative party are now taking in the farmers of Canada. There was a time, not many years ago, when, if their efforts had been directed as they have been during the last few days in this House, the farmers of Canada would have enjoyed a trade agreement that would have been of real advantage to them and to the Canadian people generally. I refer to the reciprocity campaign of 1911, when the Conservative party, not considering the farmers of Canada, but doing as they are to-day, considering only the desirability of obtaining power for themselves, went up and