

where it went. It may stand for five thousand dollars or any other sum. The primary producer buys five dollars worth of the goods he needs to ship his own produce, but for his five dollars he gets only \$3.33 $\frac{1}{3}$ in value, because the manufacturer puts one-third promptly into his own pocket as the difference between the cost of production here and somewhere else and to keep up, as he says, the "high standard of living." In the meantime the farmer is able to ship only two-thirds of what he intended; he has at once to curtail his operations. In other words his returns are only two-thirds of what they ought to be. The next time he has only \$3.33 $\frac{1}{3}$ to buy his cases, and the same thing happens again—the box-maker puts one-third promptly into his own pocket to even up the cost of production, and the poor mossback now has only \$2.22 $\frac{1}{3}$ in value of what is to him his raw material. By the next round he is reduced to an absurdity, he throws up the job, goes into the city to seek work or emigrates to the United States, that paradise of protection.

In the process the manufacturer has taken one-third of the amount at each round; this is money taken out of industry which becomes, and the producer as well becomes, more and more dependent on the politician, who is made a partner in the game, so that the robbery may continue. In the meantime the manufacturer, whether he is a manufacturer of apple boxes or other goods, has made himself rich on the one-third he has taken each time and put into his own pocket. What does he do with it? Perhaps with one or two others of his own kind he opens a bank. If he does not do that he buys a sugar plantation in Cuba or controls the light, heat and power systems in some city in South America, or Brazilian tractions or something of that kind. The money then gets into the same hands and it is not returned into Canadian industry. I have some figures before me which are verified by the statistical branch, and I find that Canadian investments abroad in 1929 totalled \$1,672,000,000, which figure represented an increase of \$340,000,000 over the previous year, I want to say, Mr. Speaker, that that is where Canadian earnings are going by the system of protection. Protection has been ruinous to all primary producers here, and if the farmers of western Canada are to make their living by exporting wheat and cattle they must have the greatest possible freedom of exchange. When the last Argentine crop came off they set the biggest part of it afloat without even a buyer in sight. They at once gave it out that they were taking £40,000,000 of manufactured goods from Great Britain. They sold

[Mr. Evans.]

their wheat; the transaction was done economically and the boats were loaded each way. What did this government do? I say that this government to-day is practically responsible for the situation which at present exists in western Canada and to a great degree over the entire Dominion. They brought into force such restrictions last year in respect to the British preference that actually forbade any British goods coming to Canada under the British preference during many months of the year. I say again that agriculture must be freed from these impediments and we must have the greatest freedom possible to make our way. Agriculture over the whole Dominion is suffering, and in western Canada we do not believe we should be reduced to the same status as the maritime provinces, who have required direct aid from this government.

Mr. ROBERT K. SMITH (Cumberland): Mr. Speaker, I will not detain the house long with the few remarks I desire to make on the speech from the throne. I think with what has been already said, and considering the emptiness of the document, it would be only a waste of time to delay the house with any prolonged remarks. However, there are two outstanding matters in the speech from the throne which have particular reference to the maritime provinces, and I should like to speak on those for a few moments.

Before proceeding to do so, however, I should like to say that I had hoped the speech from the throne would contain some reference to a resolution which was brought up by myself last session advocating the survey of a proposed canal across the isthmus of Chignecto. I presume the engineers have not had sufficient time to complete their surveys and report, and in consequence no mention is made of this important matter. However, I am hoping the report will be submitted in the near future, and from information which comes to me indirectly I am told the engineers are highly pleased with the course of their investigations up to the present time.

The first of the two matters to which I should like to refer is as follows:

For some time past my ministers have been giving special attention to those problems which for many years have been a source of controversy between the provinces of Canada and the Dominion. Among matters of concern have been certain economic and financial readjustments deemed by the provinces essential to their being placed in a position of equality one with the other. To a greater or lesser extent, problems have arisen with respect to all the provinces of Canada. Those of the maritime provinces were investigated by the Royal Commission on Maritime Claims and have been in large part solved by the effect given to the recommenda-