

*The Address—Mr. Mackenzie King*

ada. We hear a great deal about the extent of manufacturing in the United States owing to the tariff of that country—

Mr. CAHAN: Does that apply to cotton and woollen manufactures?

Mr. MACKENZIE KING: I am speaking of manufacturing generally.

Mr. CAHAN: It certainly does not apply to woollens.

Mr. MACKENZIE KING: It applies to manufacturing generally in this country; the record was the best in the history of this Dominion. At the present time manufacturing in Canada is at a higher point than it has been in any corresponding period of any previous year.

I was saying a word about the condition in the United States. As a matter of fact, this country exports and has for some little time been exporting more manufactured goods per capita than the United States exports. I challenge hon. gentlemen opposite to deny that statement.

Mr. BENNETT: Including newsprint that is so.

Mr. MACKENZIE KING: I am speaking of manufactured commodities, and my hon. friend knows what comes under that heading. I will make the further statement, which I challenge hon. gentlemen to refute, that the exported manufactures of this country per capita are virtually equal to the total exports per capita of the manufactured goods of the United States and Germany combined. My hon. friend speaks of the export of raw material as though the export of such commodities was a terrible thing for any country and a very bad thing for Canada in particular, because of the immediate proximity of the country to the south, and the fact that the United States buys such a quantity of our raw materials. I ask my hon. friend if he will refute this statement: that the total export of raw materials from Canada to the United States is less than the total importation of raw materials from the United States to this country. The hon. member for St. Lawrence-St. George (Mr. Cahan) asked me a question a moment ago regarding cottons and woollens, and I must thank him for bringing that matter to my attention. As the hon. member knows, we import a large quantity of raw cotton from the United States, but there is a further fact which I think it is well for this house to recall and for the country to remember, particularly when the hon. member talks about our parting with our assets and selling our birthright because of the quantity of

[Mr. Mackenzie King.]

raw materials we are selling, and it is that we actually buy more in the way of raw materials from the United States for our manufactures than we sell in the way of raw materials for their manufactures.

Any comparison between the two countries' manufactures will go to show that the employment in the factories of Canada is on a considerably higher ratio than the employment in the United States. These are tests which we have made in past years and which can be made to good effect at the present time.

May I point out that there are three circumstances which have temporarily affected to a slight degree what was an unprecedented prosperity up to the time that these particular factors began to operate. The harvest of last year was not as large as the harvest of the previous year. That had a very considerable effect upon general business and prosperity. As a matter of fact, I believe the harvest of last year was only half of what it was the year before.

In addition to that, the wheat crop still remains to be marketed, a condition which we have not had in Canada at this period of the year at any time in the past. This has had a temporary effect upon the general prosperity of the country, but there is no hon. member of this house, I venture to say, who thinks for one moment that that crop is not going to be marketed. The moment that marketing begins we may find an effect upon the general commerce and prosperity of this country which will surpass anything at a corresponding period of the year in the previous history of our Dominion.

Then there is a third factor which also has had its influence, in a temporary and a local way—the collapse in the speculative values of the stock exchange. That has had a certain effect upon industry and trade because it affected temporarily the fortunes of individuals. But it did not at all affect the soundness of business in this country; it in no way is a factor which has contributed to any permanent set-back. As a matter of fact it may prove to be a very good thing. In connection with prosperous times, it is inevitable that men and women will speculate, perhaps more in a period of prosperity than at any other time. A rude awakening, such as some of them apparently received, may not do any harm in the long run.

I know that my hon. friend and I can hardly be expected to agree upon the country's present position in the matter of prosperity, or its position during the past year, nor will the country expect us to agree. It will be assumed that I, speaking for the gov-