

the seasons when the fruits are imported. The agreement provides for sufficient protection in those regions and during those seasons when our growers can meet the demand.

It is said that we should not have consented to the modifications of preferences in the British market, and two products in particular are mentioned, namely wheat and apples. Wheat has been dealt with in the house by several speakers, and I do not feel particularly qualified to discuss it, but the impression I have received since this wheat preference went into effect in 1932 is that it has never had a beneficial effect upon the price of wheat received by the Canadian grower of that commodity. The reason is that the empire is a net exporter of wheat, and when a territory protected by a tariff wall is on an exporting basis the price within the tariff wall is always dependent upon, is always fixed by and cannot be higher than the price of the export surplus. It is true that some foreign wheat may have been shut out of the English market by the duty; but if Canadian wheat cannot all be marketed within the empire and some of it has to be marketed outside, it means that much additional competition outside, with the result that the price is depressed, bringing down the price within the empire to the world level. Under these conditions a duty has no beneficial effect on price.

If I remember correctly, and I meant to look this up, there was provision in the 1932 treaty that if the price were raised, if the price within the United Kingdom were higher than the world price, the protection should be withdrawn; and it never was withdrawn because the price in the United Kingdom market did not rise above the world price.

With regard to the other objection to the removal of the wheat preference, that such a removal will have an effect on ports, there are a great many things to be said. It must be remembered that Canadian ports do not handle only Canadian wheat which is shipped to United Kingdom destinations. Canadian ports handle Canadian wheat which is shipped to non-empire destinations as well; they handle United States wheat which is shipped to overseas destinations, empire and non-empire; and it is a completely inadequate statement of the situation to deal with the effect upon the first-class shipments alone. It is probable that the preference had the effect of routing some Canadian wheat destined for the United Kingdom through Canadian ports, which otherwise would have gone through United States ports. But there may have been—I do not say there was—a corresponding routing of Canadian wheat shipped

to other overseas destinations and of United States wheat shipped to overseas destinations through Canadian ports, which otherwise would have been shipped through United States ports. One would have to go into the statistics to find out and it would require expert analysis, because it is far from easy to arrive at the true situation by a cursory examination of the figures. It does not follow that, because some Canadian wheat destined for the United Kingdom was diverted through Canadian ports, the Canadian ports gained on balance.

In the examination I have been able to give the figures, I find some curious facts. I find that even of Canadian wheat shipped to overseas destinations, including the United Kingdom, United States ports handled 30 per cent in the four preference fiscal years following 1932-33, as against only 43 per cent in the four pre-preference years, before 1932-33. In 1935-36, a preference year, the United States ports handled 37 per cent of Canadian wheat shipped to overseas destinations as against 34.7 per cent in 1931-32, a pre-preference year. I find that by far the largest quantity of wheat handled at Halifax was in the crop year 1928-29 when there was no preference, and one of the smallest quantities ever handled, if not the smallest, was in the crop year 1937-38 when there was a preference. So the amount of business done by the ports depends on so many other factors that it is a complete distortion of the facts to represent this as a major factor. Preference has always been a minor, varying and unpredictable factor in the production of Canadian port business.

I come now to a subject of which I know a little more than about wheat, namely, apples. The hon. member for Yale on Friday night said that he could not understand how the Minister of National Revenue could have gone to his constituency and have told the people of the Annapolis valley, who admittedly have a larger interest in the English market for apples than any other constituency in Canada, in fact more than the rest of Canada put together, that in his opinion this agreement would not hurt them but on the contrary would probably in the long run help them. The hon. member's theory, which was a most amusing and interesting one, was that the government had decided to throw away that constituency and to give up any hopes in his constituency, and therefore agreed to the reduction of the apple preference. Well, I hope I do not look as if I had committed political suicide. I am not conscious of having done so and can assure the house that so far as I can appraise the sentiments