

This difference would not have been so important to the farmer during the period of very high prices for sugar beets, but it makes a tremendous difference now that the price of sugar has returned to almost pre-war levels or thereabouts. On October first, 1920, the grower would not have been seriously concerned with a fifty cent reduction in duty, as the price of sugar was \$18.50. In 1923, the price of sugar was \$10.16, and to-day, with sugar selling net at Montreal at \$6.13, this is a very serious matter to the farmer. Farmers who haul their sugar beets directly to the factories get \$10 per ton in round figures; but when they haul them to a railway siding in a riding such as the one I have the honour to represent, they get only about \$6.50. The sugar beet industry is surely a basic industry of this country, and you would think those engaged in it would receive the best of treatment at the hands of this government. We should remember that only ten per cent of the sugar used in Canada is produced in Canada. Prior to 1923 this was a flourishing industry and the farmers were going extensively into the raising of sugar beets. But how could you expect, under treatment such as I have outlined, that the farmers would be encouraged to carry on to a much greater extent? It must also be remembered that a farmer can grow only a few acres of sugar beets owing to the work entailed in connection therewith.

As I have already stated, this tax was reduced, after a tremendous struggle, by one-half cent per pound on sugar manufactured from sugar beets. Let me call the attention of the ministers present to the fact that the estimated quantity of sugar beets produced under present conditions in that part of the country for home consumption and for export amounts to about 600,000 tons. This would mean a direct loss to the farmers of \$300,000 per annum, and three years of that would mean a loss of \$900,000. What encouragement is there to carry on and develop an industry such as that to which I have referred? And this reduction came like a bolt from the blue; there was no warning from the government that they were going to remove the duty.

Let me further remind the ministers that in 1922 the sugar beet growers in their organization decided that they would build a sugar refinery in the town of Petrolia.

9 p.m. A short history of what happened to that sugar refinery will not be out of place. The men in the enterprise solicited subscriptions and proceeded to build a refinery in that town. The town council granted a large block of land for the pur-

pose, built a long siding, and helped in every way they could to bring that factory there. The money was subscribed and the building committee went on to develop that industry. They have already spent over \$200,000, and there the building stands because it is impossible to get money to carry on and complete that industry under present conditions. That building and everything in connection with it was under way before the government made the present change in the tariff, but it is practically impossible to get a dollar to put into the industry, and the \$200,000 that was to a large extent subscribed for the purpose by farmers in that part of the country is lost under present circumstances. The buildings stand there as a monument to the folly, if you like, of the present government as far as its action in this respect is concerned.

Mr. STEWART (Edmonton): Is my hon. friend aware that a new factory was moved this year from the United States to Lethbridge and is now established there and doing well, and that the farmers engaged in this industry are prosperous? They started to manufacture this year.

Mr. ARMSTRONG (Lambton): They evidently did not hear about what this government did a few years ago.

Mr. STEWART (Edmonton): My hon. friend's friends took care of that.

Mr. ARMSTRONG (Lambton): The hon. gentleman is apparently not in a position to guarantee them the duty that they now receive. If our good Progressive friends to my left will carry out the plank in their platform as regards free food, how can one expect financial men to put money into an industry such as that?

Mr. STEWART (Edmonton): They seem to be doing it.

Mr. ARMSTRONG (Lambton): That is the same old story—"these little reductions in the tariff will never hurt you." But I have shown to the Minister of the Interior what a serious injury this reduction has been to the farmers in my part of the country.

Mr. STEWART (Edmonton): The hon. member is doing the thinking. Let him go on.

Mr. ARMSTRONG (Lambton): This is the hon. gentleman who spoke of the "death knell" of protection. I wonder what those gentlemen who have invested their money in the sugar beet industry in Raymond, Alberta, think of that statement.