

great producing areas of western Canada with the sea, and it cannot be abandoned when 332 miles are completed and it is only ninety miles from the sea. If it were right to construct the railway thus far—and both parties are responsible for its construction to that extent, and consequently for the awakening of the hopes of the people on the prairies and of many who have gone into the northern district—it cannot be abandoned now without a serious national breach of trust. The Hudson Bay railway must be completed, because not only will it move western Canada approximately 1,000 miles nearer to its Liverpool market, but it will establish new and direct competition with the Fort William-Liverpool route, and in that way will have a tendency towards restraining the excessive charges which we have to meet on that route.

In regard to the proposed tariff reductions, outlined in the budget, I am sure that in western Canada those reductions will be regarded as a step towards lowering production costs in the basic industries, and as an indication of the government's intention to reduce them still further in the future. Taken by themselves, the present reductions do not go very far towards relieving the burden of tariff taxation, but we welcome them as a sign of the recognition by the government of the absolute necessity for reducing the costs of all the necessities of life as well as the costs of the implements of production. But the conclusion cannot be avoided that the bulk of the immediate relief promised by the budget comes from the remission of the sales tax rather than from the reduction of import duties. We are confident that import duties can be very substantially reduced, not only without injury to the manufacturing industries, but with actual benefit to them. A reduction of the tariff will bring lower prices and lower prices will bring about an increased demand for manufactured products. I might refer at this point to a statement which I think should not be allowed to pass unnoticed. No doubt many members will have read the reports in the press of the speech delivered by Colonel A. F. Hatch, first vice-president of the Canadian Manufacturers' Association on April 11. This speech was given some space in all the newspapers at that time. Referring to the tariff reductions in this budget, he said:

It is very far-reaching, and is giving the western farmer, who is really a foreigner, an award at the expense of other parts of the Dominion. The western farmer, as a rule, has no interest in the country. He eats out of a can and gets all he can from outside the country, and puts his wheat in in the spring. As soon as he harvests and markets his grain he goes off to California or some other place for the winter, and spends his money outside of the country.

[Mr. Bancroft.]

This is a curious specimen of the propaganda of the Canadian Manufacturers' Association for national unity. The supreme idea of the statesmen of the past was development of western Canada on the basis of brotherhood and goodwill, genuine national unity; whereas the Rally-round-the-Flag protectionist politicians of to-day would simply extend to the West a kind of colonial status, while at the same time suggesting that its people are foreign or inferior. For five generations my family has lived in this country, and I want to tell these gentlemen that I am proud to associate with and to represent in this House the people whom they thus choose to stigmatize as foreigners.

The hon. member for Nanaimo (Mr. Dickie) argues that only a prohibitive duty against imports of iron and steel enabled the United States to become a great manufacturing country. The facts might bear another interpretation. But assuming that the hon. member's argument is correct, has he considered at what cost to the consumers of that country its great iron and steel industry has been built up? I have in my hand a pamphlet issued by the Fair Tariff League of the United States under date of February 28, 1924. This is not a free trade organization; in fact its policy is very similar to that professed by the Conservative party in this country. It states that the purpose of the league is:

A just tariff adequately. . . .

That is a very familiar word in this House. . . . but not excessively protecting American industry and labour.

Referring to the steel business of the United States, I find on page 20 of this pamphlet:

On the basis of normal quantity production the present tariff makes farm implements cost farmers \$100,000,000 too much and implement manufacturers \$50,000,000 too much.

American steel makers add the duty and the freight from Europe to domestic prices. They export \$230,000,000 at 30 per cent less than domestic prices. (Total exports steel products, all kinds, \$700,000,000). To-day's price (October 22, 1923) of American-made bar steel, which is a criterion for all steel prices, is \$2.40 per hundred pounds. The export prices of English bars is \$1.61.

The American price, \$2.40, is the English price, plus the duty of 27 per cent, or 43½ cents, plus 20 cents freight to New York, plus 16 cents for good measure.

While thus charging the last farthing that circumstances permit, our steel manufacturers are exporting at the rate of \$230,000,000 annually, and the profits of the greatest of them, the United States Steel Corporation, in 1923, were in round figures, \$180,000,000 net, subject to interest charges and dividends. Dividends were declared for the quarter year ending September, 1923, at the rate of \$6 per share on its \$508,000,000 of common stock, once all water and sold for \$8 per share, now worth intrinsically \$260 per share. The Wall Street Journal, of November 2, says that 10 per cent annually, or \$10 per share,