PUGSLEY'S CONVINCING SPEECH ON RECIPROCITY; OPPOSITION ARGUMENTS SHATTERED BY FACTS

In the house of commons on July 24 when the question of the trade agreement was under discussion an important and convincing speech was made by Hon. William Pugsley, minister of public works. He is reported in Hansard as follows:

Mr. Pugsley—I have not spoken at all during the discussion of this question, therefore I may be permitted to make a few remarks in answer to some of the observations of my hon. friend who has just taken his seat (Mr. Goodeve), and also to refer to the quotations which my hon. friend from Westmorland (Mr. Emmerson) has made as to the attitude of the leaders of the Conservative party in the past. I understand my hon. friend from Kootenay (Mr. Goodeve) to admit that it was true that the Conservative party was at one time in favor of reciprocity, but that was before the promulgation of the National Policy of 1879. Did I understand my hon. friend correctly?

Mr. Goodeve—Yes.

Mr. Pugsley—Then my hon. friend must have forgotten that upon the very last occasion when the Conservative party successfully appealed to the country they declared themselves unequivocally in favor of reciprocity with the United States. That was twelve years after the National Policy had been put into force. Now, my hon. friend from Westmorland quoted from an election card which was issued by Sir John Thompson in February, 1891, when he was appealing to the electors of the county of Antigonish, in the province of Nova Scotia. Sir John Thompson was not an ordinary member of the house, he was minister of justice in the government led by Sir John A. Macdonald, and he was recognized as the second in command next to the great Conservative leader. Sir John Thompson was a man in whose judgment the people of Canada had very great confidence. He had occupied a position on the bench of the supreme court of Nova Scotia, and was recognized as one of the ablest lawyers in Canada. After the death of Sir John A. Macdonald, he was called upon to assume the leadership of the Conservative party, which he did with credit to the party and with credit to the country. Every Canadian, whether Liberal or Conservative, deplored his sudden demise at so early an age. Sir John Thompson, in his manifesto, made reciprocity the only question upon which he appealed to the people of Nova Scotia, it is the only great subject to which he refers. He tells the people of Canada that the government of which he is a member have entered into negotiations with the government at Washington for the purpose of bringing about a treaty of reciprocity, which he believes would be of advantage to the people of both countries. Now, surely the hon. member for Kootenay must have forgotten this fact when he says that the Conservative party was never in favor of reciprocity subsequent to the adoption of the National Policy. He has forgotten the election of 1891, when the government went to the country upon the policy of reciprocity. My hon. friend has called attention to a portion of the language of the hon. member for North Toronto (Mr. Foster), which will be found on page 60 and following of Hansard, and in which that hon. gentleman, then a member of the Conservative government, stated that this government had done everything possible to extend interprovincial trade. He referred to the fact that the Canadian Pacific Railway had been carried out by the Conservative party, and it had then been completed some six years because it was completed from the Atlantic to the Pacific in 1885. He referred to the enormous development which had taken place in this country, and said that notwithstanding the development of internal trade, notwithstanding the wonderful strides Canada had made as a result of the construction of the Canadian Pacific Railway and the inauguration of the National Policy, yet the government had sought to widen and extend the bounds of commerce in every direction. Then he asked this question: With the United States? Yes, he says, we are desirous, not only of extending our commerce with all the other countries of the world, but with the United States as well. He refers with pride to the fact that for many years the Conservative party had been taught to watch and to wait until a favorable opportunity should occur, and he referred gladly to the fact that at last the moment had come when the government had been invited to visit Washington and to open negotiations with Secretary Blaine and the president of the United States, to bring about what? To bring about a treaty of reciprocity, based upon what? Based upon the old reciprocity treaty of 1854, with such additions and extensions as the altered circumstances might show to be to the mutual advantage of the two countries.

Surely in the face of this evidence it cannot be said that the Conservative party had abandoned the policy of reciprocity after the enactment of the National Policy. This shows that upon the very last occasion when the Conservative party successfully appealed to the country they made reciprocity the principal plank in their platform, and it was upon that that they hoped to win and did the approval of the people.

The hon. member for North Toronto (Mr. Foster) said more than has been quoted by the hon. member for Westmorland (Mr. Emmerson). He said at page 69:

"The government showed itself consistent, in the first place, by declaring that there was a door open for negotiations, and that a delegation would be sent to Washington after the 4th March, and, furthermore, by sending a delegation and being prepared to go again on the 12th October to do what no Canadian government has been asked to do from 1866 to the present time, that is, to talk over the trade matters and relations existing between this country and the United States, with a view to their better and final settlement. This statement which I make will be borne out by the papers, and I cannot see where we have been inconsistent or where we have prejudiced the interests of Canada."

And will hon. gentlemen mark these words:

"—or have done aught which any government in favor of reciprocity ought not to have done."

There is the declaration of the hon. member for North Toronto (Mr. Foster) in 1891, after the general elections of that year, showing that the government of which he was a prominent member was in favor of reciprocity with the United States. That course is entirely consistent with what the government had previously done because we find that prior to the election of 1891 and as early as December of 1890 the government passed an order in council in which it was provided that commissioners should go to Washington. And what were to be their instructions? They were to go to Washington with authority, without limitation, to make proposals towards the agreement for a treaty based upon the reciprocity treaty of 1854. I think it is important to bear in mind that they were not to be limited in their instructions, they were to, if possible, obtain a treaty for reciprocity not in natural products alone, it was to be based upon the old reciprocity treaty of 1854. But so anxious was the government of that day to obtain better trade relations with the United States, so much did they believe that it would be in the interests of the whole country that this arrangement should be made, that they placed no limitation upon the authority which was to be given to the commissioners, they were given authority to deal with these matters without limitation and perhaps there are some hon. gentlemen here who can remember seeing in the press of that day some remarks that were made as to what was the difference between the Liberal policy of that time of unrestricted reciprocity and the policy of the Conservative party in making an unrestricted offer of reciprocity to the United States. Sir Charles Tupper's attention was called to the fact that these commissioners were to go without limitation to negotiate a reciprocity treaty. Sir Charles Tupper said that was an unrestricted offer of reciprocity, whereas the Liberal party was in favor of unrestricted reciprocity, and Sir Charles said that he pitied the man who could not understand the difference between an unrestricted offer of reciprocity and an offer of unrestricted reciprocity. To the ordinary mind there is not much difference.

Mr. Blain—Was the policy of the two parties the same in 1891?

Mr. Pugsley—In 1891 the policy of the Liberal party was broader, it was to include manufactured articles.

Mr. Meighen—Which was right?

Like Sir John's Policy.

Mr. Pugsley—It is not necessary to say which was right because the arrangement which has been made today is absolutely in accordance with the limited reciprocity treaty of which the Conservative party was in favor. If my hon. friend will read the speeches which Sir John Macdonald made in discussing this question, he will find that Sir John, while stating that the old reciprocity treaty had been a great benefit to Canada, while stating that no argument need be presented to show that and at the same time saying it was unfortunately discontinued by the United States government owing to a not unnatural irritation against England, he said that he felt it would be but little use to go to the United States then and seek a reciprocity treaty. He also intimated that he would be prepared to go even beyond reciprocity in natural products and to give considerable reciprocity in manufactured articles, for the purpose of obtaining reciprocal trade arrangements so far as natural products were concerned.

I would quote from another hon. gentleman whose loyalty I think will not be impugned in this house because, although hon. gentlemen who are in the house today, members of the Conservative party, seem, so far as reciprocity is concerned, to have departed from the views of their old and their great leaders of the past, yet I hardly think they would impeach the loyalty of the hon. gentleman from whom I am now going to quote. I refer to the Honorable Sir Charles Tupper, who was for so many years a prominent member of this parliament, and who, for such a long period occupied such a prominent position among the people of Canada. I find that Sir Charles Tupper, after the election of 1891, on the 4th of August, as reported at page 3346 of Hansard, said:

"The chief point now is, without any quibbling or cavilling, that this government has arranged for a conference with the United States government in October next, without any confession such as hon. gentlemen opposite insinuate, that we are in any sense more dependent upon the satisfactory arrangements than are the people of the United States themselves. We go there, relatively, in as strong a position as they meet us; we go there——"

Willing to negotiate a reciprocity treaty, does he say? No, he says:

"We go there anxious to see whether an arrangement, consistent with the interest of both countries, can be brought about."

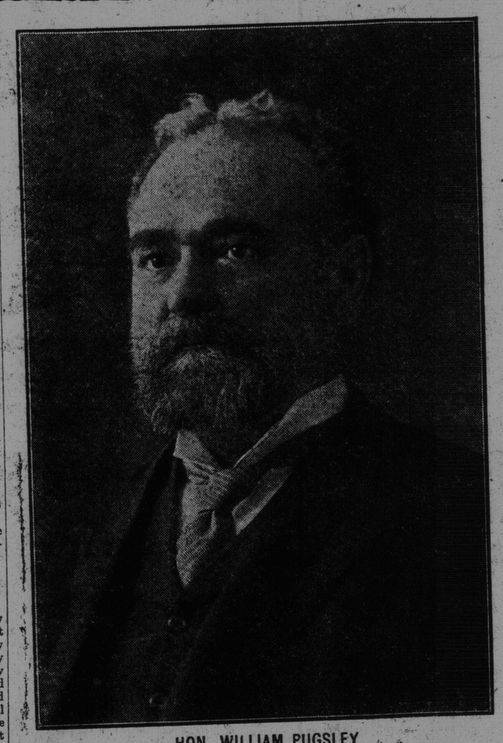
And yet today honorable gentlemen say that the man who is in favor of reciprocity with the United States is doing something which will imperil the position of Canada as a portion of the British Empire. They say that the man who is willing to improve the trade relations between this country and the great republic to the south is doing what in fact is an act of disloyalty to the empire because it will tend to draw this country away from the great empire to which we are proud to belong, from that great federation of nations which all of us hope and which all the people of Canada believe and hope will forever remain united and be forever in the van of progress and development and will last until the end of time. And yet, because this government has simply done what Sir Charles Tupper tried to do, what all the eminent statesmen of the past upon both sides of politics tried to do, honorable gentlemen insinuate that they are willing to do something which will weaken the ties that bind Canada to the mother land.

I wish to quote something further, and this perhaps will be of more interest than the remarks which I have quoted, to the people of my own province.

There was not only the order in council providing for the appointment of commissioners, but after the general election in 1891, the speech from the throne at the opening of parliament contained the following clause:

"My advisers, availing themselves of opportunities which were presented in the closing months of last year, caused the administration of the United States to be reminded of the willingness of the government of Canada to join in making efforts for the extension and development of the trade between the Republic and the Dominion, as well as for the friendly adjustment of those matters of an international character which remain unsettled. I am pleased to say that these representations have resulted in an assurance that, in October next, the government of the United States will be prepared to enter on a conference to consider the best means of arriving at a practical solution of these important questions. The papers relating to this subject will be laid before you."

The reply to the speech from the throne was moved by the then member for St. John (Mr. Hazen) who is now the leader of the Conservative government in New Brunswick, and Mr. Hazen then used language which—if we did not know it was used by one of these younger Conservatives who have departed from the paths trodden by their leaders not very many years ago—one would think was the



HON. WILLIAM PUGSLEY

language of a supporter of the Liberal party. His speech will be found at p. 8 and following of "Hansard" 1891, and in it he expressed pleasure as the representative of the city and county of St. John, and as a member of the Conservative party, at the announcement made by the government that they were about to enter into negotiations for a reciprocity treaty with the United States. He went on to speak of the business and social relations existing between the people of Canada and of the neighboring republic, he expressed the opinion that it would be an advantage to both countries if a reciprocity treaty went into effect, and he concluded by saying that he felt sure it would be gratifying to the people of Canada irrespective of party that steps were about to be taken to secure reciprocity. Nobody will charge that these Conservatives were any less loyal than the men who now lead the Conservative party; no one will venture to suggest that these Conservatives were less mindful of the best interests of Canada than those who now lead the party; no one will suggest that they would negotiate for a reciprocity treaty which they thought would have a tendency to draw Canada away from her allegiance to the mother country. But, these gentlemen opposite say to us: the times have changed, and what might be good for Canada in 1891 is not good for Canada today. Surely that argument does not apply to the contention that reciprocity is apt to lead to dismemberment of the empire; surely, if to increase our trade with the United States is likely to weaken our attachment to the mother country today, it must have had the same effect 20 years ago. Nay, Sir, there was greater danger of that 20 years ago because while Canada had then entered upon a stage of development, Canada was not so prosperous as she is today, and her people were not in such a position of self-reliance then as they are now. Since then, the population of Canada has increased, her resources have been developed, her trade has extended, and today our people are far more powerful and more able than they then were to stand for what they believe to be the true interests of Canada and the empire. A few words as to the benefit which I believe will accrue to the maritime provinces from this arrangement. We in the lower provinces are very greatly interested in the lumbering, the agricultural, and the fishing industries. We have a great many fertile valleys where vast quantities of hay are produced, and to many farmers it would be a great advantage to sell at least a part of their hay product where they can find a good market. They have looked in the past to the United States but they have been met with a duty of $4.00 per ton on their hay, and there will be found on file, letters from producers of hay in New Brunswick and Quebec urging the Minister of Finance and the Minister of Customs then negotiating for this arrangement to secure a reduction of at least two dollars per ton in the duty on hay. It was pointed out that many farmers in these provinces would derive great benefit from such a reduction. Well, instead of getting the duty reduced to $2 a ton the Canadian representatives succeeded in getting hay admitted absolutely free of duty to the American market. In the St. John river counties there is a very considerable production of potatoes, and were the duty removed the farmers of these counties would find in the United States an excellent market for their potatoes. It is a fact I believe that during the present generation there have only been two occasions, and then because of crop failures in Canada, when the price of potatoes in the United States has not been higher than the price in New Brunswick. We have very striking evidence of that in the fact that across the border opposite the counties of Carleton and Victoria, in the county of Aroostook in Maine, farms are today worth on the average about twice as much as farms of equal fertility on the New Brunswick side. A short time ago I made special inquiry in the county of Victoria, and the statements in this respect made some weeks ago in this house by the honorable member for Carleton were verified by statements made to me by a number of farmers. And so it is with other farm products. Make farm products of every kind absolutely free of duty, and there will be a large and profitable market for our farmers in the large cities of the New England states, and this they say, would add very greatly to the prosperity of our farmers.

Then, there is another very important interest in which our people are deeply concerned. If honorable gentlemen will look at the papers which are on file, they will find letters from gentlemen largely engaged in the lumbering business, in which they urge that, in addition to trying to get the United States to take the duty off lumber, they should also try to induce them to reduce the duty on shingles, which is now 50 cents a thousand, down to 30 cents. And these representatives are not confined to lumber manufacturers of the province of New Brunswick, they also come from lumber manufacturers of the province of Quebec and the province of British Columbia. They report that the duty, which was raised by the Payne-Aldrich tariff from 30 cents a thousand to 50 cents, is very nearly prohibitive. I call to mind a letter from a large manufacturer of the province of British Columbia, who stated that, as a result of this change, quite a number of shingle mills in that province were idle; and I think representations were made from Nova Scotia as well as from Quebec, that it would seriously cripple the industry in that section of Canada. There is no duty on shingles coming into Canada. I remember that my honorable friend from the city of Vancouver (Mr. Cowan) went down to the city of Fredericton to enlighten the people there. That city happens to be the centre of quite a large lumber manufacturing industry, and he pointed out in all seriousness that as a result of this reciprocity arrangement cedar logs would be sent from New Brunswick into the states of Maine, manufactured into shingles and brought back to New Brunswick, where they would swamp the shingle market. My honorable friend did not know that for many years shingles had been admitted into Canada free of duty, and under this agreement the only concession made, is made by the United States, which is reducing the duty from 50 cents to 30 cents a thousand. Before the duty was raised to 50 cents the shipment of shingles to the United States was a considerable factor in the prosperity of that section of Canada; and on the file there will be found a letter from the honorable member for York (Mr. Crocket), who, I believe, has been going from platform to platform warning the people of that loyal county against agreeing to this arrangement, because it will tend to sap the loyalty of the people of Canada. That letter is addressed to the honorable Mr. Fielding, and in it the honorable member for York says that he has received a communication from a very large lumber manufacturing company which does business in his constituency, and which carries on operations in some three lumber mills, calling attention to the increase which has been made by the United States in the duty on shingles from 30 cents to 50 cents a thousand, and expressing the hope that in any negotiations for the reduction of the tariff between the two countries the Finance Minister will succeed in having the duty reduced.

Mr. Meighen—Expressing whose hope?

Mr. Pugsley—The hope of the honorable member for York.

Mr. Meighen—Read the letter.

Mr. Pugsley—If I had the file here, I would be glad to do it.

Mr. Blain—I understood that the honorable member for York, in this house, denied that statement.

Mr. Pugsley—What did the honorable member for York say?

Mr. Meighen—He denied that he was giving expression to his own opinion. He was simply communicating to the finance minister a letter from one of his constituents.

Poor Mr. Crocket.

Mr. Pugsley—I have read the letter, and anyone reading it would take it as an assurance from the hon. member for York that in forwarding it he was entirely in accord with the sentiments expressed therein. If the hon. member for York thought that the entering into such an arrangement with the United States would tend to sap the loyalty of the people of Canada, it is a wonder that he did not say to the minister of finance: "While I forward this plea on behalf of one of my constituents, yet I warn you, Mr. Fielding, that if you get the duty on shingles removed, so that these lumbermen will be able to send their shingles freely into the United States, it may tend to make them disloyal citizens; it is a very dangerous thing, and you ought to consider it most carefully before you get the United States government to reduce the duty on shingles from 50 cents to 30 cents a thousand." The hon. member for York did not do anything of the kind.

Mr. Hughes.—Will the hon. minister be good enough to point out where anyone on this side of the house has ever objected to the United States reducing the duty on wheat or shingles, or on any other commodity going into that country, or where we have ever raised any objection to their managing their own affairs in their own way?

Mr. Pugsley—It has been stated in this house over and over again that it would be a dangerous thing for us to encourage the United States government to take off the duty on natural products, because it would enable the United States manufacturers to draw from Canada its natural resources and take them into the United States and there manufacture the goods which ought to be manufactured in Canada, forgetting of course, that the United States could do that tomorrow without any arrangement if it wanted to. All that the minister of finance and the minister of customs have done by this arrangement has been to sit down quietly with representatives of the United States government and say: Let us talk over what would be to the mutual interest of Canada and the United States to do in the way of reductions of duty. They have made no agreement which binds the people of this country for a single day after this arrangement goes into effect. They declare that this country shall be absolutely free to make any changes in its tariff on the items affected by this arrangement at any time; and when they express the hope that it will be found so advantageous to the people of both countries that it will be continued for a considerable time, they both take pains to make it absolutely clear that they do not undertake to bind either the congress of the United States on the one hand or the parliament of Canada on the other. Now, take the matter of lumber. Shall I say my eloquent friend—my interesting friend? Because when the hon. gentleman gets towards the rear part of the chamber, where there are many empty seats at times, and where he can move back and forth and give full vent to his eloquence, he certainly does become exceedingly eloquent. My hon. friend told the people at Fredericton: lumbermen who knew very well the nonsense he was talking—if he will pardon the word—he told these people that under this reciprocity arrangement our lumber would be taken into the United States, manufactured there, and sent back into Canada to compete here with the lumber manufacturers of New Brunswick. My hon. friend forgot that for many years sawn lumber has been admitted into Canada free of duty.

Mr. Middleboro.—Before leaving that point I would like to say I was present and heard the hon. member for Vancouver (Mr. Cowan) when dealing with the question of shingles say that their tariff is only reduced back to the old figures whereas shingles coming into Canada are free.

Mr. Pugsley.—Shingles are not made free under this arrangemnt. Shingles have been free for years, and we are making reduction.

Mr. Middleboro.—This is what we object to. They hold them at 30 cents. Whereas shingles coming into this country are free.

Mr. Pugsley.—That is because we prefer it that way. It has been so for several years, and it has been admitted in the interest of Canada that shingles should be admitted free. I presume it is because the shingle interests in this country do not require any protection as against the United States. At all events I have never heard any suggestion that there should be a duty placed upon shingles, so far as Canada is concerned.

For reasons which have appealed to this government lumber has been free. There have been suggestions made at different times in regard to putting a duty upon it, but these suggestions have been very seriously opposed by consumers in Canada, and more particularly by those who live on the prairies, to whom cheap lumber is a most desirable thing. Lumber is made free under this arrangement, but the whole concession is on the part of the United States, and when you bear in mind the fact that the lumbering industry is a very important interest in the maritime provinces, you will agree with me that this is a very important concession, not only for the maritime provinces, but for all sections of Canada. It is of great importance to the province of Ontario—it is of great importance to the Ottawa valley, and it certainly is of great importance to British Columbia, because manufacturers of lumber in these provinces find a large market in the United States for their products. If hon. gentlemen will look at the blue-book, they will find the exports of lumber and its products from Canada to the United States for the year ending March 31, 1909, amounted to $22,000,000.

An hon. member.—What were the imports?

Mr. Pugsley.—I do not know what the imports were. At the moment I am only dealing with the exports because this arrangement will not affect the imports for the simple reason that lumber comes into Canada free today.

An hon. member.—What kind of lumber?

Mr. Pugsley.—Sawn lumber. And sawn lumber forms a very important part of the lumber exports.

An hon. member.—This treaty makes absolutely no difference in lumber coming into Canada?

A Great Difference.

Mr. Fielding.—None at all, but it makes a great difference on Canadian lumber going into the United States.

Mr. Reid (Greenville).—Might I ask the hon. Minister of Public Works if he would allow me to read this letter of Mr. Crocket's:

"House of Commons,
Ottawa, March 11, 1910.

"Honorable W. S. Fielding,
Minister of Finance,
Ottawa.

Dear Mr. Fielding,—I have a communication from the Scott Lumber Company, Ltd., who operate two or three mills in my constituency, requesting me to lay before you, in connection with the recent negotiations between the Canadian and the United States governments upon the tariff matter, the representation that the recent increase in American duty upon shingles has seriously affected the business of Canadian mills, particularly in the maritime provinces. They claim that the rate of 50 cents per thousand is unreasonable and almost prohibitive, and that in the interest of this trade, our government should at least endeavor to have it reduced to the old basis of 30 cents a thousand.

I trust that if the question of revision of the two tariffs is taken up, you will bear this communication in mind.

"Yours truly,
"OSWALD S. CROCKET."

Mr. Pugsley.—What does that mean? What the hon. member for York (Mr. Crocket) does is this—the hon. minister of finance is about to enter into negotiations at Washington. The hon. member for York receives this communication from one of his constituents, calling his attention to the fact that the increase of duty has made importation into the United States prohibitive, and Mr. Crocket expresses the hope that the hon. the finance minister will bear this communication in mind during the course of the negotiations. This the hon. finance minister did. I have no doubt in the world that the hon. member for York was absolutely sincere when he said that it would be in the interest of the manufacturers of this country that the duty should be reduced, and, as a matter of fact the duty was reduced from 50 cents to 30 cents.

Mr. Reid (Granville)—You misrepresented him before.

Mr. Pugsley.—I will not contradict my hon. friend further than to say that his memory does not serve him correctly as to what was said.

Mr. Gordon (Nipissing)—Might I ask a question? I would like to ask the hon. minister if in his opinion the following would be true reciprocity? Supposing I, as a manufacturer of shingles at the Canadian Soo send a carload of shingles over to the American Soo, and I am met at the border with a duty of 30 cents per 1,000 according to the new arrangement, or a duty of 50 cents per 1,000 according to the old arrangement, my competitors from the American Soo wish to send a carload of shingles over to the Canadian Soo and pays no duty—is that true reciprocity?

Mr. Pugsley.—There is nothing in the arrangement which would prevent Canada from making the duty just the same as in the United States.

Some hon. members.—Why don't you do it?

Mr. Pugsley.—Because it was never thought to be in the interest of the people of Canada to have a duty on shingles. So far as I know, we have not had a duty on shingles for years and years, if we ever had. So it is with regard to sawn lumber—we have no duty on that article. The United States had a duty of $1.25 a thousand, and they have thrown off that duty entirely; the concession is wholly on the part of the United States, for Canada in that respect makes no concession.

Mr. Goodeve.—I desire to ask the hon. gentleman a question. The United States took off the duty of $1.25 on lumber and made it free, because they have a surplus. But we can supply them with shingles and they put on a duty of 30 cents. Why do they not make shingles free.

Mr. Pugsley—All that the shingle manufacturers of British Columbia asked was that the duty be reduced to 30 cents, it having been raised from 30 cents to 50 cents by the Payne-Aldrich tariff.

Mr. Cowan—I desire to correct the hon. gentleman (Mr. Pugsley); I happen to know that that is not correct. What the shingle mill men want is an exact equality of tariff.

Mr. Pugsley—I can only say that I have read the files showing the petitions from the shingle manufacturers' association in British Columbia, and all they asked for is that the duty shall be reduced from 50 cents under the Payne-Aldrich tariff to 30 cents as it was previously, and that concession was obtained by the commissioners on behalf of Canada. The matter of removing the duty on lumber is of great importance to the people of New Brunswick, especially to the people of St. John. We have had in force in the United States for sixty years past what is known as the Pike law. Under that law timber could be cut in the forests of northern Maine by American citizens, floated down the river St. John to the city of St. John, manufactured there in American mills by American citizens and shipped into the United States free of duty. I think I can safely say that that has been of enormous benefit to the port of St. John. These mills have given employment to many hundreds of men. They have given employment also to many coasting vessels in taking the lumber from the port of St. John to the ports of the United States. Under the Payne-Aldrich tariff that law was repealed and on the fifth of next month that repeal comes into effect.

Therefore, this privilege will be denied to the American citizens who are living in the city of St. John and are manufacturing their lumber there. The result will be that they will have to pay on lumber going into the United States $1.25 a thousand. I am told that, in view of the very large stumpage they have to pay to the land owner in northern Maine and the large expense in floating the logs down to the port of St. John, this duty of $1.25 will be prohibitive and in all human probability these mills will have to close. If, however, the proposed arrangement comes into effect, lumber manufactured in Canada will go into the United States free of duty and these industries will be continued. So far as that branch of the lumber business is concerned, it is of very great importance to the people of the city of St. John. I think the same remark applies to a lesser extent to the St. Croix river which is also affected by the Pike law.

Now, with regard to this question of loyalty: I cannot understand how the loyalty of our people can in any way be affected by this arrangement except in the effect it will have upon people who will be benefitted by the reciprocal arrangement. The lumber manufacturers are going to be benefitted. Are they going to become less loyal to the empire by reason of this? The hon. member for Nipissing (Mr. Gordon) I believe, ships lumber to the United States. Possibly he will not deny that he ships almost his entire output to that country.

Mr. Gordon—I do not.

Mr. Pugsley—At any rate that is the destination of a considerable part of his output. Under this reciprocal arrangement he will be able to ship a larger quantity than at present. That is not going to affect his loyalty? I venture to say that if his lumber output were increased tenfold he would be as loyal a citizen of Canada as ever and would fight for the old flag and teach his children to love the empire just as much as he does today. It is not going to affect the loyalty of the people because they ship more lumber to the United States.

Mr. Bradbury—Will that make it cheaper in Canada?

That Paper Concern.

Mr. Pugsley—Is that the argument that influences my hon. friend (Mr. Bradbury)? Does he want to prevent the manufacturer from getting into the best market possible in order that he himself may buy what he wants at a cheaper rate?

You will also find on file a letter from the Riordan Paper Company, of which, I believe, the hon. member for Argenteuil (Mr. Perley) is vice-president. The general manager of that company urged very strongly that there should be a reciprocal arrangement so far as pulp and paper are concerned. If hon. gentlemen opposite would allow this question to come to a vote instead of, by taking a possibly legitimate course—though I do not think the country will so regard it—preventing a vote being taken, no doubt the hon. member for Argenteuil would vote against the reciprocal arrangement. But if that arrangement comes into effect, I am told it will mean $90,000 a year of a profit to the company of which he is vice-president. That speaks well for his patriotism, you will say. Perhaps it does; perhaps the hon. gentleman (Mr. Perley) may feel that the arrangement will go into effect just the same and his company will get the benefit of a reduction of duty, while he will be able still to say that he was patriotic enough to sink personal considerations at the dictates of his conscience and that he voted against the arrangement.

Mr. Edwards—That is pretty small.

Mr. Pugsley—I do not think so. Here is a great Canadian manufacturing industry the product of which goes largely to the American market. If the result of this arrangement is going to be to add to the profits of that company this very large sum of money, that is an important argument as applying to other like industries.

Mr. Edwards—But the hon. gentleman (Mr. Pugsley) gives the hon. member for Argenteuil (Mr. Perley) credit for being unselfish, but before he finishes his sentence he abuses him for it. That is pretty small tactics.

Mr. Pugsley—The criticism itself is exceedingly small but that is not to be wondered at considering the source from which it comes. Now, Sir, having reference to these large industries, having reference to the pulp and paper industries, having reference to the lumber manufacturing industries, while the result of this arrangement would add largely to the profits of those various businesses, I do not anticipate that these profits will all go into the pockets of the manufacturers. I anticipate that as the profits of the business increase, the thousands of men who are engaged in the forests cutting the lumber, who are engaged in the streams bringing the logs down to the mills, who are engaged in the mills working and toiling to convert the raw material into the manufactured product, I presume they will share a portion of the profits which will be derived as a result of this arrangement. I assume that the workingmen as well as the employers of labor will receive benefit from the increased profits which will come to the business, and therefore to that extent thousands of the workingmen of this country will benefit as a result of this arrangement.

Mr. Rhodes—When this arrangement comes into effect, how will it affect the consumers of lumber in this country?

Mr. Pugsley—So far as the province of New Brunswick is concerned, and I believe the same remark applies to other sections of Canada, there is plenty of lumber for the consumers of Canada, and plenty of lumber to send abroad; and if the lumber is properly taken care of, that will be the case for generations to come.

Mr. Rhodes—I was not concerned about the quantity of lumber, I was concerned about the price the consumer will have to pay.

Mr. Pugsley—Well, Mr. Speaker, I would not object at all if the price of the natural product should be increased. I would not object if the farmer got more for his product, I would not object if the lumber manufacturer got more for his product, provided he shared it with the laboring man who, helps to make his profit. For myself, I would not care if I had to pay more for it. I think it will be to the benefit of this country if the wages of the laboring men are increased, and if the labor of the farmer, the fisherman, the miner and the lumberman shall be better recompensed than it is today. I do not think that in this country, labor receives, or has received, its fair proportion of the benefit of the wonderful development and progress which have taken place in Canada during the last fifteen years. As a result of this development we have seen many of the people grow in wealth from being comfortable to becoming millionaires. And while the wages of the laboring men have increased, I do not think they have increased to the proportion I would like to see them increase. I trust that as a result of this arrangement, and as a result of the increased profits which will come to the farmer, the lumberman and the fisherman, the laboring men who are employed in helping to make those profits will receive their fair share of the increased benefit, as I think they ought to do.

Now, a few words more, and I will not detain the house further. My hon. friend the leader of the opposition, when he was in the west, said I want it understood that I am unalterably opposed to this arrangement, and I am opposed to it, I think he said, principally because it will tend to draw Canada away from her allegiance to the British crown, and draw her gradually into commercial, if not political union with the United States. I think that was about what he said, judging from what I saw in the newspapers. Now, my hon. friend the prime minister said, That is all nonsense. I think there should be an adjective put before the word "nonsense." It does seem to me difficult to understand how men can put forward such an absurd proposition as that—to say that because the people of this country can be given a wider market, because they can be given greater facilities for trade with the United States, their loyalty will be weakened, that they will be drawn away from the British empire. I say that does seem to me a proposition too absurd to consider seriously. Why, Sir, if that were so, would Canada not be less loyal today than she was fifteen years ago? Fifteen years ago what was the trade between Canada and the United States? It certainly was not over $150,000,000 or $200,000,000, at the outside. What is it today? According to the trade and navigation returns for the year which closed on the 31st of March last, our trade with the United States amounted to the enormous sum of $404,000,000.

An hon. member—Mostly imports.

The Greater Market.

Mr. Pugsley—What does that show? It shows that our people are trading with the United States to a vastly larger extent than they were fifteen years ago; I do not care whether the trade is in imports or exports. Our commercial relations with them are becoming more intimate, because a larger number of people are trading with the people of the United States than there were fifteen years ago. Now are we less loyal today than we were then? I think not. I think there never was a time in the history of Canada when the people were more loyal to the empire than they are today, when the young men of Canada were so ready to sacrifice their blood in defence of the old flag as they are today. But an hon-

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