

Hon. Mr. KAULBACH—Why is it Great Britain does not take advantage of that?

Hon. Mr. BOULTON—Because we have made a speciality of agricultural machinery. Our prairie country has taught us the best and cheapest methods and produced the best patents for agricultural machinery. Other countries are not placed exactly in the same way. We have the experience of the great prairies of the western states and of our own country to help and guide us to perfect machinery, both in economy of production and ease of action, and other countries have not been able to produce them to compete with us. We can compete with the United States and with the world in the production of these machines, provided the commercial conditions are made so that we can successfully compete. If you cheapen the cost of production to the Massey Manufacturing Company by 30 to 40 per cent as the case may be, and they are permitted to exchange the home market for a foreign market, by the cheapening of production, is not the population of Canada and of the city of Toronto particularly going to be multiplied to the extent that the manufacturing of that machinery will involve. No doubt the Massey Company will say to the government, give us the home market by protection and give us the foreign market by a remission of duties, but can manufacturers have their cake and eat it. The government themselves have acknowledged the principle—they have taken off the duty imposed on the Massey Manufacturing Company and other manufacturers in order to put them in a position to compete in foreign markets and to export their manufactures. I say it is an injustice to the farmers of Canada and to the people of Canada generally to continue a policy which is increasing the price of every necessity of life and retarding every effort to increase our industries beyond the purchasing power of five millions of people. We are not pursuing the true national policy which is calculated to develop the resources of our country. Nobody more desires to see Canada taking its place as an important part of the British Empire than I do, and I repeat, instead of trying to induce the people of Great Britain to adopt a protective policy we should try to work together with the people of the mother country. If the mother country were forced into the

position of adopting a protective policy it would be turned at once against the people of Canada. They will not pay for protection for the benefit of the people of Canada or of Australia or of any other outside portion of the Empire. They are conducting their business on a business basis. The indications are that the policy of our government is working in the direction of trying to induce a policy of imperial protection. I do not think, however, that any movement on the part of the colonies will ever induce the people of England to change from free trade, but at the same time, in so far as our efforts are directed in that way they will re-act upon ourselves. The people of Great Britain are suffering to-day, no doubt, but it is not in consequence of their free trade policy, but because their chief customers have impoverished themselves by protection.

Hon. Mr. KAULBACH—Did I understand the hon. gentleman to say that the policy of the British Government is tending to protection?

Hon. Mr. BOULTON—No, I said that notwithstanding the efforts we might put forth to produce such a change we will not succeed in moving the British people from the sound free trade policy which they have pursued so successfully for half a century. What I do say is that the depression in Great Britain to-day is due mainly to the decreased purchasing power of Canada, the United States, the Argentine Republic and other important customers of Great Britain, and to the extent that our purchasing power is reduced we are unable to purchase the commodities of Great Britain. The Trade and Navigation Returns, for the last six months of last year, show that there has been a decrease in the purchasing power of the people of Canada to the extent of seven millions of dollars less than in the corresponding six months of the preceding year, the first six months under the new tariff. Of course, the cheaper things are the more we are able to purchase. Under protective taxation there is an artificial price created for the necessaries of life, while the price of our material and natural products is left to natural and competitive conditions. If you alter your policy you will increase the purchasing power of the people. It is in consequence of the restrictive power of protection in the United States, Canada and other countries,