

UNANSWERABLE ARGUMENTS ADVANCED IN FAVOR OF RECIPROCITY AGREEMENT

F. B. Carvell, M. P. Deals Ably With the Case From the Standpoint of New Brunswick--Tariff Agreement Will Be a Great Boon to the Farmers and Lumbermen of New Brunswick--Enlarged Markets and a Reduced Tariff Will Add to the Prosperity of the Country.

(Continued)

WILL INCREASE TWENTY FOLD.

Mr. Carvell—We can raise in the Annapolis valley strawberries, raspberries, currants and small fruits to twenty times the extent we are raising them today if we had the United States market, and the same is true of the St. John valley. About a fortnight ago a very prominent Conservative lawyer in the city of St. John perhaps one of the most prominent in the province and who is interested in the steamboat business on the River St. John told me in Ottawa that if this arrangement went into effect, from the constituency of Queens and Sunbury alone in three years there would be a special line of steamers running on the St. John river direct to Boston in the summer time in order to carry this fruit, and this man knows what he is speaking about. He has been for years interested in steamboating on the St. John river, and during the last three or four years they have been sending these small fruits to some extent by these steamers which transport them to the International Steamship line at St. John for Boston, and I give his statement for what I know it is worth and the hon. members from York and St. John know the gentleman to whom I refer. What is true of Kings and Sunbury is true of York the county of St. John, and every other county on the western side of the province of New Brunswick as well as many constituencies in Nova Scotia; and where we produce today one dollar's worth of fruit we shall produce in a few years ten, fifteen, or twenty dollars worth. That is what it means to the people of the maritime provinces.

WILL INCREASE OUTPUT.

Now, I want very briefly to discuss this matter along the general line which the debate has taken. Our hon. friends opposite would try to make the country believe, and try to convince themselves—for I think they are hollering to keep their own courage up—that this is a great big measure of free trade. Well, Sir, it is not half so big as I personally would like to see it. We are told that the Liberal party when they came into power borrowed protection from the Conservatives; but remember that we came into power pledged to obtain reciprocity from the United States, if we could get it on fair terms, just as the Conservative party were pledged to obtain reciprocity, and would have been glad to have it down to 1896. We sent a deputation to Washington to endeavor to get reciprocity, and we would have been delighted to have got the arrangement which we have today. We could not get it. I presume we could have obtained reciprocity if we had conceded a large enough list of manufactured articles on our side, but we would not do it. Our delegation returned home, and we introduced the British preference. Our hon. friends opposite may say that we introduced it in order to cater to the feeling prevailing at that time that we should do something to help out the British people and to prove our loyalty. I do not believe that was the object at all. I believe the British preference was meant by the government who introduced it, and I am sure it was accepted by the Liberal party and by the country generally, as intended to ameliorate to some extent the sufferings of the consumers and producers of Canada from the National Policy under which we had been suffering so long. The government first reduced by one-fourth the duties levied on articles from Great Britain, and a year or two afterwards they increased the preference to 33 1-3 per cent., so that now we only pay on articles coming from Great Britain only two-thirds of the duty that we pay on articles coming from the United States or from any other part of the world. Is that not a benefit to the consumers of Canada? That was the object, as I understood it, of introducing the British preference, and that was the reason my hon. friends opposite opposed it. There are members sitting in this Chamber tonight who have opposed the British preference from the day it was born down to the present time, and who would oppose tonight as strongly as before any proposal to increase it—why? Not because it helps the farmers, the lumbermen, the fishermen and the consuming masses of the Canadian people, but because they are afraid that it will interfere with the dividends of their friends the manufacturers. But I can assure the government that there is no way in which they can more ingratiate themselves with the people of Canada or do more good to the people of Canada than to bring down before this parliament adjourns a measure increasing the British preference to at least 40 per cent. Why did not my hon. friends opposite cheer the hon. member for Welland this afternoon when he said that he wanted reciprocity within the empire? They were as dumb as oysters when he said that, because

they knew that if they accepted that proposition they would be flying in the face of the manufacturers, and that is one thing none of them will dare to do, from the leader down to the hon. member for York.

Mr. Crockett—Would you suggest that the government should do it now?

TORIES ADMIT PROSPERITY.

Mr. Carvell—I do most assuredly, and I believe I am voicing the sentiment of a great number of the members on this side of the House, and I know that I am voicing the sentiment of a majority of the electors of this country. We have been told in this debate to let well enough alone. We have been told that this country has progressed for thirteen years past as it has never done before. We have been telling hon. gentlemen opposite that all along, but they would not admit it. Now they say this country has never been so prosperous as it is today. The hon. member for Welland, the hon. member for Brandon and the hon. member for North Toronto, have all said that it is prosperous because we have had a protective tariff, and they say that the tariff that we have had since 1896 is practically the same as the tariff we had from 1879 down to 1896. If the tariff which we have had from 1896 down to the present time has made this country prosperous, I ask why it did not make the country prosperous before 1896 if it was the same tariff? I tell you it is not the tariff that has made Canada prosperous. It is the tariff that has kept Canada from being as prosperous as it might otherwise have been. I can tell you what has made Canada prosperous. When the Liberal party came into power in 1896, the hon. member for Brandon introduced an immigration policy which will stand to his credit even if he should pass over to the opposition side of the House, and under that policy we brought immigrants into the country, at first to the number of over 50,000 yearly, and latterly in still larger numbers. The result is that we have in the Northwest today a population which is using the manufactured articles of Ontario, and it is their consumption of these articles that is making Ontario prosperous. We in the Maritime Provinces cannot send our products to the Northwest or to Ontario because transportation is against us. We have sent practically nothing to Ontario but a little coal, and in the last few years a few potatoes.

Mr. Sproule—You have been sending fish for the last forty years.

Mr. Carvell—Not to any great extent. I wish we were sending ten times as much as we are. We are not sending to Ontario anything like the quantity we are sending to the United States in the face of an almost prohibitive duty.

Mr. Crockett—Is the hon. gentleman aware that two factories in Fredericton are selling goods in British Columbia?

PRAISE FOR MARITIME PROVINCES.

Mr. Carvell—Yes, I am, and I am aware that they sold boots to British Columbia before the National Policy was ever thought of. We have not in the Maritime Provinces reaped the benefit of this increased population from a manufacturing point of view, though we have as good artisans as they have in Ontario, the same protective policy, as good brains, the power and everything necessary to make a successful manufacturing country. We have failed, while Ontario has succeeded—why? Because Ontario has a great consuming population at its doors, and we have not. That is what has made Canada prosperous in the last ten or fifteen years and not the tariff policy which this government has continued from its predecessors.

I would like to take a few moments to analyse this agreement in its results. My hon. friend from Wellington (Mr. Guthrie) did that admirably, much better than I can hope to do it, but I want to analyze it to some extent, in a rather different way, for the benefit of my friends from the Maritime Provinces. Our hon. friends opposite complained that we have abandoned the British preference, that we have thrown over the mother country, that we are leading this country into annexation that we are disloyal, that we are everything but good Canadians and British subjects. And why? Because, forsooth, we are asking for the right to sell our natural products in the best markets we can find, and are content to pay the same duties as we have been paying in the past on everything we are manufacturing. Analyse that agreement and see what it amounts to. I have taken a leaf from the book of the hon. member

for North Toronto (Mr. Foster) and counted the number of items in the different schedules. On the free list there are 70 items, and of those there are 40 which we do not bring from Great Britain at all. Of the other 30 there are a number of which we import from Britain less than \$10,000 worth, and of the whole 70 there are only two of which we import more than \$100,000 per year from Britain. Those two are salt and grapes. I find, also, that the total imports from Great Britain of the articles on that free list last year only amounted to \$4,190,000. If you deduct from that amount sheets of rolled steel, of which our imports amounted to \$3,490,000, you have got the beggarly sum of \$699,000 imported from Great Britain out of the hundreds of millions of our total imports from that country. Out of those hundreds of millions only the beggarly sum of \$699,000 was the amount which we imported from the mother country of those articles on the free list, leaving out the item of steel. Yet we are told that this thing is not only injuring, but ruining the British preference. Then, I counted the number of items on which the duty will be higher under the British preference than under the proposed agreement, and I find that these are only three, and that the imports of these three only amount to a few thousand dollars altogether. So that, even without increasing the British preference, the rates of duty on British imports will be still lower in every instance than the duties which the United States will pay should this arrangement go through. If there be any fault to find with this proposed agreement it is that under it the consumer is not getting his goods cheap enough. But if we should increase the British preference we would then put the consumer in the same relative position as he has enjoyed in the past.

THE DUTIABLE LIST

I now come to the dutiable list, and I find that there are in it 101 items. Of those 29 are not imported from Great Britain at all and never have been. Of the items, the imports of which from Great Britain are under \$10,000 per year there are 44, and there are only seven items of which we import over \$100,000 from the mother country. That is the dutiable list. And I find that altogether on that dutiable list we imported last year from Great Britain only \$2,196,000, a mere nothing, whereas we imported from the United States, of the articles on this same list, to the extent of \$32,359,000. And all we are asked to do is to take the duty off these goods to some extent—not to any great extent. Why, the reduction is a mere begatelle. We are only reducing the duties from 32½ per cent. to 30 per cent. and 27½ per cent. but still even that is some little relief to the consumers. Take item after item and you will find a duty of 15 per cent., 25 per cent., 30 per cent., and 32 per cent. still left on articles brought from the United States under the proposed agreement. Take automobiles; last year we brought about \$150,000 worth from the United States in spite of the duty of 35 per cent. I admit that if there be anything which a revenue ought to be collected it is automobiles, because they are a luxury. But the duty is simply prohibitive. Under that duty it is almost impossible to bring in an automobile from the other side of the line. In my opinion it would be better both for the consumer and the manufacturer if that duty were reduced.

Mr. Barker—Why?

Mr. Carvell—Because we would get a better article, because then the manufacturer would not dare put on the market the thing he puts on today and call it an automobile.

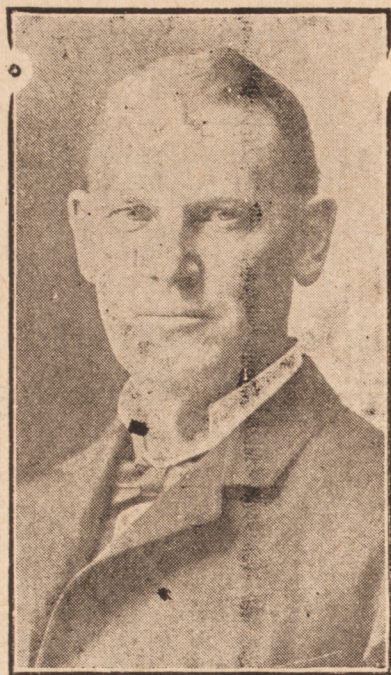
Mr. Barker—Our own people would make more, no doubt.

Mr. Carvell—I know what I am talking about. I do not want to knock the manufacturers, but my hon. friend had better not ask me too many questions. If he wants information I can give it to him.

Mr. Henderson—Are you a manufacturer?

THE TARIFF FOR REVENUE

Mr. Carvell—I am a consumer. And what is true of automobiles is true practically of other manufactured articles. I admit that we cannot have free trade in Canada, because we require a revenue, and, perhaps, the only way we can raise a revenue at present, is by a customs tariff; but I do submit that it would be better both for the manufacturers and the consumers if our customs tariff were reduced to such a point as would give us revenue and give the manufacturers whatever protection they can obtain incidentally from a revenue tariff. That question, however, has been threshed out during many years, and I do not propose to go into it now. But my opinion a reduction of our tariff would be a good thing even for our manufacturers. In



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many instances they are twenty years behind the times. Their factories are not properly organized, they are not pursuing business methods, they are using the antiquated machinery of 25 years ago.

Mr. Ames—Name some of them.

Mr. Carvell—I might offer some of my own experiences, because I have had a little experience myself in manufacturing, and I can tell you that we lost money because we did not have the proper machinery. Take the woollen manufacturers; will any one tell me that you could not make wool cheaper than it is made in our own factories today if they were properly fitted with up-to-date machinery? Take any of our industries that are making money, and you will find that they have modern machinery and improved methods. If you would reduce the tariff you would compel our manufacturers to adopt these methods.

Mr. Barker—Why do you not go in to the woollen business and try it yourself?

Mr. Carvell—I do not want to refer to my own experience, but I have had a little experience in the woollen business, too, and I will tell you the results. There was a woollen mill in our town established some fifteen years ago under the protective tariff. It had old machinery and poor management, and was run into debt until it owed the bank some \$6,000 or \$7,000. Finally the bank took it over, put in a little new machinery, and ran it until the debt was wiped out. Then the bank said: We do not want to run that business any longer, and they stopped it.

Mr. Barker—Why did you not continue it?

Mr. Carvell—The bank stopped it because it was not the business of a bank to run a factory.

Mr. Barker—You know how it can be done with profit?

THE MANUFACTURERS BENEFIT

Mr. Carvell—Yes, by better methods and better machinery. But what does this system of protection do? In nine cases out of ten it simply takes money out of the pockets of the consumers and puts it into the pockets of the manufacturers. If a factory is up to date and properly run, it gives enormous profits. If not it only drags along. Let me refer to something with which I am perfectly familiar, and that is electrical machinery. I do not want to refer to my own business, but I was challenged by the hon. member and I will give an illustration. There are practically today machinery in Canada, the Westinghouse and the Canadian General Electric, and these people are charging us today for everything we buy, and I have bought thousands and thousands of dollars worth in the last few years the cost in the United States plus the duty almost entirely. These people are putting out a splendid article, they have modern up-to-date machinery, well organized methods and they are making money, and if you cut their duty down to 20 per cent or even to 15 per cent, they will still continue to do business in Canada because 15 per cent. is enough to force them to come here, they will come and do business in Canada, and every man buying a piece of electrical machinery would get the benefit of the reduction in price. It means a lot to our people, more to the small consumer than to the larger one, but that is a concrete illustration of what protection is doing in Canada. I tell the hon. member for Hamilton (Mr. Barker) who is interested in one of these companies as it is in his constituency, that it would be better for the people of Canada if they pensioned off the 5,000 employees employed in this industry than to continue them and have to pay the present increased price owing to the duty.

Mr. Barker—What will the farmers say?

Mr. Carvell—That there are only a few of them.

Mr. Barker—Ask the farmers.

Mr. Carvell—They will say: Cut the duty down, give us the machinery cheaper.

Mr. Henderson—Why not put it in the treaty?

SAVED THE MANUFACTURERS

Mr. Carvell—That is the trouble. My friend the Minister of Finance was too good to the manufacturers, he saved them and look at the thanks he is getting for it. Another illustration. No industry in Canada has made the strides, has given us the results and has made as much money as the manufacturers of agricultural implements. Our agricultural implement manufacturers should be a matter of pride to every Canadian. Massey-Harris and Frost & Wood, are two of the finest examples of energy, honesty and upright dealings in the history of Canada. They have developed and developed and made money. Under what? A 20 per cent. duty, 22½ per cent. I think until 1907, then reduced to 17½ per cent. and now proposed to be reduced to 151.

If you want any evidence of what the farm machinery manufacturers have done, I find that in the last fiscal year these people exported from Canada farm machinery, mowing machines, reapers, binders, seeders, &c., to the magnificent amount of \$4,300,000, and yet tell me that a manufacturing industry cannot get along in Canada without 30 per cent. protection. My hon. friend from St. Antoine division (Mr. Ames) gave the whole thing away. He says you are attacking the outworks of protection and very soon the citadel will fall. The only men who are hit, practically, are the farm machinery men and they are saying nothing about it. I would like to know where you can get a better example of what can be done in Canada under a revenue tariff than the case of the agricultural machinery. We know that a revenue tariff produces revenue, because when the duty was reduced one-third under the British preference, our revenue was quite doubled, not only our imports increased but our revenues. We know that such a tariff stimulates importation. People buy things cheaper, buy more of them, the home manufacturer goes on just the same, the farmer gets more for his money and every one works more and we have a better condition of society. What happened when this arrangement was sought to be brought into effect? The Minister of Finance and the Minister of Customs went to Washington with the idea that if they could not get a reciprocity treaty practically in natural products they would not treat at all. They were carrying out the principle for which we have contended ever since I was a boy and for which the Conservatives contended when they were in power. I did not believe they would get it; nobody did, they did not believe it themselves, and they were so careful of the manufacturers that they did not do for us what they should have done. Let me give an illustration. The Minister of Finance, on account of the protest put up by the coal barons of Montreal was only able to reduce the duty 8 cents in order to bring it on a par with the American duty. Another illustration. I myself applied to the Minister of Finance to reduce the duty on an article which could be manufactured in St. John in enormous quantities, right on the shores of deep water, whence it could be shipped to the United States, an article of which millions and millions are sold every year. The minister could not do it because an industry in the province of Ontario might be affected and he did not do it. I do not know whether he was offered it by the American commissioners or not, as he has a faculty of holding his peace. I know he did not take off the duty and that the city of St. John cannot have that industry which would employ hundreds, I believe thousands of men in the next five years and would become one of the greatest industries in New Brunswick, simply because some protectionist gentleman in Ontario felt that they would be affected.

REDUCED COST OF FOOD.

Another illustration. The papers yesterday contained a statement of Senator Carter in the United States Senate to the effect that the United States commissioners wanted to make meats and flour free of duty and to put them on the reciprocal list, but that our commissioners would not consent to this because they were afraid it might interfere with manufacturers of the Dominion of Canada. I give these two illustrations of the way in which the manufacturers have been protected, in which all the interests of Canada have been protected, and yet men like the member for St. Antoine, to whom

I give credit for being perfectly frank, says: You have attacked the outworks of protection and before long the citadel would fall. Fall? Because under this agreement we are going to allow in from England \$69,000 worth more goods than last year, if you bar out rolled steel, and a few millions of dollars from the United States.

Mr. Ames—Please do not put words into my speech which I did not utter. If you read the part where I said the outworks were attacked you will see that is not the reason.

Mr. Carvell—I fail to see what the reason can be. I listened attentively to the hon. gentleman's speech and read it, and that is the meaning I took from it.

Mr. Ames—Do not entirely misinterpret my speech. If you read the portion referring to the outworks you will see it is entirely different.

Mr. Carvell—I hope my hon. friend is recanting.

Mr. Ames—Not a bit.

Mr. Carvell—I thought not, it comes back to that, that the protectionist manufacturer will not allow my hon. friends opposite to accept this proposal. The hon. member is a manufacturer, and every man who buys cheap shoes for his family knows the member for St. Antoine is a manufacturer, and he is as good as any of them.

Mr. Meighen—Will the hon. gentleman say he has not himself recanted when he is so jealous of the citadel of protection.

CITADEL OF PROTECTION

Mr. Carvell—I am not; I am saying that the commissioners were jealous of the citadel of protection. I have made myself plain. It was the commissioners who were jealous of the citadel of protection and who tried every way in the world to protect these people. And what is the result? All over Canada all the financial interests, all the bankers, some of the railroads—not all of them—the boards of trade, the manufacturers, have started a campaign against this arrangement. You would think that the whole citadel of protection was stormed and captured by reason of the paltry few millions of dollars involved in this arrangement. Now they say that the transportation interests are going to be ruined, that all the millions of dollars we have spent in opening up lines of transportation east and west are going to be wasted because trade will now go north and south. I can only refer to the statements I read earlier in my remarks regarding farm products. In face of what would almost be considered a prohibitory tariff, three-fourths of all the farm products of the maritime provinces, yes, five-sixths, go to the United States now. But free trade in these natural products will hurt the railroads, we are told. I have shown what would happen to wheat. It cannot hurt wheat, it cannot hurt cattle, it cannot hurt hogs, and it is only trying to draw a herring across the track when they say it is going to hurt the transportation interests.

THE LOYALTY CRY

Then the bankers say: You must not put this thing through because you are breaking down the bulwarks of trade—they do not say protection—you are unsettling all the conditions of trade. They say it is disloyal for a man to sell his horse, or his sheep or his fish to the United States, although he can get a better price for them. The gentleman who was the leader of that famous sixteen in the city of Toronto did not think it was disloyal when he financed the cotton crop of the United States with the money of the Canadian people and other banking institutions have taken Canadian money by the million out of this country and invested it in the United States. I tell my hon. friends that in many places our banks are nothing but savings banks and if the farmer or any one else wants \$100 or \$200 he has got to get a number of his relatives to endorse a note before he can get that sum of money out of the banks.

Still the bankers will take this money by the million to the United States or anywhere else they can. I remember that in 1907—I am saying something that I know—the banks in the maritime provinces increased the interest rate up to seven per cent. and made that payable every three months, and when I remonstrated with them they frankly admitted that they could take their money to New York and put it out on call loans and make more than seven per cent. out of it. And still they got that money for three per cent. from the farmers of the County of Carleton. This is perhaps a little aside from the question under discussion, but I have in my hand something which was sent out by the banks or at least by the 'Monetary Times' of Canada, closely associated with the banks, and they have an impudence

which excels anything I have ever seen. I find in an article called the Parliamentary Bank Act, on page 16, they say the government will hear the arguments, and then it goes on:

It is not to be expected that ministers will lend countenance to the extreme or revolutionary proposals that emanate from individual members of parliament.

I want to know if you ever heard such impudence as that addressed to members of parliament. I want to tell these gentlemen that if I am alive I will be in the Banking and Commerce Committee when the Bank Act comes up, and perhaps I will be guilty of some of the revolutionary proposals which this article refers to.

Mr. Ames—I rise to a point of order. The hon. gentleman is discussing the Bank Act instead of this trade arrangement.

Mr. Carvell—It evidently hurts my hon. friend from St. Antoine (Mr. Ames). Now I come back to the subject. I want to tell my hon. friends however, that while they may stand by the banks, and while they may stand by their interests, the farmers of this country, the lumbermen of this country, the fishermen, the laborers, all the toilers of this country, will stand by the government in the course they have mapped out for this country today. I have pointed out what it means to the agriculturists of the Maritime Provinces, I have pointed out what it means to the lumbermen of the Maritime Provinces, and I have tried to point out what it means to the agriculturists of the rest of Canada. I have pointed out what it means to the fishermen of the Maritime Provinces, and while as I have said, I do not feel capable of discussing the fishery industry in its details, I want to read to this House and to place upon the 'Hansard' a statement made at a banquet in Halifax not long ago by the Hon. Mr. Murray, than whom no able, no more patriotic, no more loyal, no more sincere politician is in public life in Canada today, a man who knows the needs of the farmers, the needs of the fishermen and of the lumbermen in Nova Scotia better than any banker, any manufacturer, or any other gentleman I believe who occupies a seat on the floor of this House. Here is what what Mr. Murray says:

GREAT FREE MARKET.

For a quarter of a century this great portion of our population longed for a free market with the nation to the south. Now that great wish has been satisfied and hope is filling the heart of every man who follows the sea for a livelihood. We have seen the tremendous development that Liberal legislation has wrought in our coal industry. I do not wish to be over emphatic here tonight, but I will say this. I believe no man today can foresee what a free market for fish will bring to the population of our seaboard. I see no reason today why the fishing fleet of Nova Scotia should not increase threefold. I see no reason why we should not become the principal fish food producers of this continent. (Cheers.) And yet there are men in this province who would expect the honest toiler of the deep to listen to some befuddled arguments about endangering the British flag, or injuring the railroads that run east and west. They would even ask him to bismirch his sacred ballot by condemning a policy that means so much to him and to the generations to follow him. Does anybody say that because the Nova Scotia fisherman sells his fish to an American at better prices, that his loyalty is being impugned? If this is the case the electors of Yarmouth and Shelburne would be open to the gravest suspicion.

FOR THE GENERAL GOOD

I commend that to my hon. friends opposite, and I commend it to every thinking elector in the Dominion of Canada. I accept this trade agreement without any reservation whatever. As I have said before, it is something which the people of my province and of my constituency have been praying for ever since I was a boy. It is something the people of the maritime provinces have been praying for, that the people of Quebec have been praying for, that the people of the Northwest asked for when they came down here a few weeks ago. It is something that will build up this country, and will bring immigration into this country in a greater flood than we have ever yet seen. Insead of our people leaving the maritime provinces by thousands for the United States, they will come back by tens of thousands. If in my humble capacity I can be of any assistance in helping to bring about this great boon to the people, then I will feel that my advent into public life has not been in vain; and if I retired tomorrow I would feel that I am well repaid for all the trouble all the energy I have expended, and all the time that I have lost in my ten or twelve years of public life.