

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)

Following is the second instalment of the Hansard report of the great speech of Mr. F. B. Carvell, M. P. on reciprocity:

Before leaving this branch of the case, I should like to give the House some figures on the potato question, because that seemed to bother my hon. friends opposite this afternoon more than anything else. During recess I took the trouble to look up the exports of potatoes from Canada to the United States during the last ten years, and I think it is only fair that the House should be in possession of all the facts. These exports were as follows:

1901.....	\$ 67,151
1902.....	327,046
1903.....	56,969
1904.....	742,537
1905.....	18,301
1906.....	128,363
1907 (nine months only)....	4,250

1907 was the year in which I referred before dinner, during which I said potatoes were much higher on our side of the line, and that is the only time in my lifetime up to this year when that condition existed.

1908.....	\$ 15,459
1909.....	251,907
1910.....	345,903

This is a complete history from the Canadian standpoint, of the exportation of potatoes to the United States up to 1910.

Mr. Daniel—Exports from Canada to the United States?

Mr. Carvell—Yes. I have discussed that question from the standpoint of the maritime provinces, and propose now to discuss it briefly from the general standpoint.

Mr. Daniel—Could the hon. gentleman give the imports into Canada from the United States of potatoes during those years?

Mr. Carvell—I have not the figures at my hand. No doubt in some years potatoes have been imported by us to some extent, but nothing like the extent to which they were exported.

Mr. Daniel—Last year there were more imported.

Mr. Carvell—The debate so far has been confined to the discussion of a very few articles. We have had the wheat question discussed in nearly all its phases. We have discussed cheese to some extent, bacon to a great extent, wheat, flour and cattle and also fruit.

THE CATTLE QUESTION.

Mr. Lennox—And hay.

Mr. Carvell—I discussed that this afternoon. I want to take up first the question of cattle. My hon. friends opposite say that if this agreement should go into effect, the cattle industry would be entirely driven from the British market through Canadian channels into the United States, and I think that my hon. friend from Brandon (Mr. Sifton) said that the cattle industry would become centred in a few years in Chicago instead of Winnipeg. Let us follow that up. I find that last year we exported to Great Britain cattle to the extent of \$9,979,000, but I find that the United States exported cattle last year to the extent of from \$12,000,000 to \$15,000,000, practically all of which went to Great Britain. But, exclaim my hon. friends opposite, if you put this proposed agreement into effect, you will ruin the cattle trade. I ask why? It cannot ruin the cattle trade because if we send our cattle to the United States it will only be because the American buyers will pay more. Will that hurt the Canadian farmer? I fail to see how it will. I do not believe that my hon. friends opposite would say that they do not want our Canadian farmers to get the best prices possible. Well, should they be right in their contention, and should our cattle be driven to Chicago, that can only happen because our cattle will there command better prices. This, however, is what I believe will happen. I believe that the best quality of our cattle will still go to Great Britain, as in the past, but the poorer quality will go to the United States and sell there at better prices than we have got in the past. Let me explain why. The purchasers of cattle for the British market will only take animals up to a certain standard because the freight is paid, not by the pound, but by the animal. I am referring now to water transportation. The space taken in a steamship by an animal weighing 1,400 will not be greater than that taken by an animal weighing 1,000 pounds; and owing to this difference in freight rates, it is impossible for our farmers to sell their lower grades at anything like what they can get for their higher grades. But should this agreement come into effect, these lower grade animals will go into the American market, and will there command the same prices as we now get for our higher grade. That is what this proposed agreement means to the cattle producers all over Canada. They will send their better animals to Great Britain to the same extent as heretofore, but they will

get a much better market than they now enjoy in the United States for their inferior cattle. Further, I believe it will not be long before the United States will cease exporting cattle. I find that three or four ago the United States were exporting \$24,000,000 worth of cattle per year, whereas last year they only exported \$12,000,000 or \$13,000,000 worth, and it is quite within the realm of possibility that within the course of a few years the United States will cease exporting cattle altogether. The price in the American market will then go up, and our farmers all over Canada will reap the benefit. No one will seriously argue that our farmers should sell to the British market at reduced prices when they can get better prices in the American market. That is a species of loyalty I have never seen worked out yet practically. My hon. friends opposite prate about loyalty but not one of them would sell his cattle at five cents less per head in the British market than he could get in the American market. Give him the slightest advantage in the world and he does not care two cents where the article goes, he will sell it where he can get the best price and if he can get a better price in the United States than in Great Britain that is where it will go. That is how they will tell us the cattle trade is going to be ruined.

THE QUESTION OF PORK.

I come next to the question of pork. The hon. member for Brandon (Mr. Sifton) said that if this arrangement went through the packing industry in Canada would be absolutely ruined and every hon. gentleman opposite who has spoken has said the same thing. Their newspapers have said that for a month, it is the stock argument of the Conservatives that the packers of Canada will be ruined, particularly in the packing of pork. Last year we exported to Great Britain bacon to the value of \$6,422,747 and of hams \$413,645. I shall not take the trouble to quote many figures regarding the price of hogs because that was thoroughly given by the Minister of Agriculture. The minister stated that every week in the last year, with possibly one exception, hogs were higher in the American markets than in the corresponding Canadian markets. While the hon. member for Brandon was speaking, I sent to the reading room for The Globe and The World, and compared the prices of hogs in the different places in Canada, and the United States for the preceding day, February 27. I found that the prices were as follows: Belleville, \$6.50 to \$6.60, 100 pounds; Peterborough, \$6.75; St. Thomas, \$6.60 to \$6.65; Buffalo, \$7 to \$7.30, and Chicago, \$6.85 to \$7.15. In other words, on February 27 hogs were worth at least 25 cents a hundred pounds more in the United States markets than in the corresponding markets in Canada, and the Minister of Agriculture gave figures showing that that condition had existed for the past year. Let us see what will happen if this goes into force. My hon. friend says that the packer will be ruined. Why ruined? Because he will be compelled to pay the Canadian farmer what his hogs are worth. Is that any disadvantage to the Canadian farmer? I fail to see it, and if the Canadian packer wants to do business let him pay what the hogs are worth. Does any man tell me that the Canadian packers, with all the combination they have in force at present, and with a duty of 14 cents per pound protection, cannot pay the Canadian farmer what his hogs are worth? If he cannot I am afraid the Canadian packing industry is not of very much benefit to the people of Canada. But, Sir, I do not believe that statement. I do not believe then when they say they cannot pay this price. I know they can, I know they will. Possibly their dividends will not be as great as they have been in the past, but I think the farmers of Canada can well afford to allow the packers to receive a little less in dividends and give them what their hogs are worth in the open market.

CHEESE AND BUTTER.

Coming to cheese and butter, we sent last year to Britain \$22,000,000 and to the United States \$22,000. We had an entirely prohibitive duty against these products going into the United States. My friends may say: Oh, you are selling to the same market as the United States producer is. I want to give only one concrete illustration of what this meant to the Canadian farmer, that is the illustration referred to here by the Minister of Agriculture. When the Payne-Aldrich tariff was brought into effect two years ago, by a mistake the duty on cream was placed at 5

cents a gallon instead of 5 cents a quart. The result was that whereas in 1908 we practically sent no cream to the United States, last year from Quebec alone we sent \$1,500,000 worth of cream. I wonder if the Canadian farmer in Quebec finds fault? Do you suppose he sent that cream to the United States because he got less for it than in Canada? No, Mr. Chairman, the farmer down in Quebec is just as human as the farmer in New Brunswick and he does not care what the destination of his product is, it is the money he is after, and if he sold that cream to the United States to the extent of \$1,500,000 he did so because there is more money in it than in selling in the Canadian market. If this happened in one year the result in four or five years in the export of cheese and butter would be simply astonishing when the market is thrown open to these products.

AN ABSURD FALLACY.

The hon. member for Brandon stated that the Quaker Oat Industry of Peterborough would be absolutely ruined if this arrangement went into effect. I shall discuss this first from a local standpoint. The local consumption of this product with 8,000,000 people, must be considerable, and we pay enough for this in the Maritime Provinces. The men who can take ordinary oats and by treating them can sell them at the price charged does not lose much. If they want to sell in the local market, they have today the modest protection of 50 cents a hundred pounds, or half a cent a pound on the product of oats. That duty is, as prohibitive as a duty of 20 cents a hundred pounds. That will be the case if this agreement goes through. Today they have a protection of 60 cents per hundred pounds, and they say because that is reduced from 60 to 50 this industry, which I am told has cost \$2,000,000, will absolutely close down and go out of business. Does any reasonable man believe that statement? Why, Sir, you only have to state the proposition to show that utter nonsense of it from the local standpoint. Let us take the export standpoint. It was argued—not by the hon. member for Brandon (Mr. Sifton) because he very wisely gave no reason for his statement, and if I admired him for anything in his speech it was for his acuteness and astuteness in making statements and not backing them up by facts and arguments—it was said that the Quaker Oats people say that the duty does not affect them so far as the foreign market is concerned. They say they send the great majority of this to the British market, which I believe is true. The oats may cost them a little more. I believe they will because owing to this arrangement the price of oats will be higher, although I must confess that in the great market of Canada and in the United States perhaps there is no product of Canada which so nearly equals the price of the same product in the United States as oats. Today there is not more than one cent in favor of the American product. But suppose he has to pay three or four cents a bushel more for his raw material, he starts out on practically the same footing, and it will not cost any more to produce the article for shipment to England than it does today. Oh, they say, there is the offal, the bran products and all that; we cannot export that to the United States because there is a small duty upon it of 12½ cents per hundred pounds. The argument is that we cannot send offal over there, and that is where our profit comes in and the result will be that the manufacturers will transfer their factories to the United States, they will be able to export the finished product to the British market the same as from Canada, and sell the offal on the American market. Now, I looked up this matter in the "Trade Returns," and do you know that of all the millions and millions of bushels of grain that are grown in Canada, including wheat, including oats, including every sort of grain that you can imagine that is exported during the last fiscal year we only exported the bran of all kinds of grain to the paltry sum of \$1,000,000. I do not suppose the export of offal from that oat factory down in Peterborough would be probably more than \$5,000 or \$6,000; but it must be almost infinitesimal when you come to consider that of all the manufacturing going on in Canada, of all the grinding of grain going on in Canada, only \$1,000,000 worth of this offal has been exported.

Mr. Sexsmith—Does the hon. gentleman mean to say that the by-products of the Peterborough factory only amount to \$5,000 or \$6,000?

A RIDICULOUS ARGUMENT

Mr. Carvell—No, I said that is all



MR. F. B. CARVELL, M. P.

that was exported. Why don't they use that offal today? Don't our farmers buy that offal? The offal from an oat factory is not very good; there is some nourishment in it, and there must be hon. gentlemen in this House who have used it, but I have not. I want feed my horses with it. I want something better than that. They use it for cattle to some extent but they have been buying it in the past, and want our farmers buy it in the future? Do you mean to tell me that you are not going to raise anymore cattle in Canada in the future, that this country is going entirely to the dogs, and that there is no more sale for offal? That is as ridiculous as the hog argument. The result will be that they will go on manufacturing in Peterborough the same as we have done, and they will make just about the same profits, notwithstanding all the cry they are making, after all the argument put forth by the hon. member for Brandon (Mr. Sifton). I tell you here tonight that there will not be any closing down of the factories in the oat industries, business will go on as the demand all over the world increases, and just so will our business increase in Canada.

Lastly I come to wheat. Now wheat is a big problem. I admit it is something which I do not profess to know much about, in fact what I am going to give the House about wheat will be largely information which I have gleaned from listening to speeches during this debate, and from a study of the situation from the trade and navigation returns. I told my hon. friend from Portage (Mr. Meighen) this afternoon, in reply to a question, that I knew wheat was worth from 2 to 4 or 5 cents a bushel more in Minneapolis than it was in Winnipeg and Fort William, and such has been the case continually. Why it is, I cannot tell you. I am told that it is in some cases because the American miller wants the wheat, and on account of the transportation conditions, the Dakota farmer is able to get 2 or 3 cents more for his wheat than our farmer gets.

Mr. Barker—Has the hon. gentleman ever considered whether the increased price was not due to our wheat being a sounder and stronger wheat?

Mr. Carvell—No, because the American wheat has the greater price, the American gets 3 cents a bushel more than our people do. I do not see my hon. friend's point.

Mr. Reid, (Grenville)—Does the hon. gentleman mean to say that the American wheat is better than Canadian wheat?

CANADIAN WHEAT THE BEST

Mr. Carvell—Why, no, Mr. Chairman. I did not make any such foolish statement as that. I do not think my hon. friend ought to give me credit for knowing better than that. I know that our wheat is the better, there is no question about it. I know that when wheat is made free the Americans will buy our wheat because it is better, and I know that our producers will get a better price than they are getting today. Now let us see what we are doing. Last year we exported to Great Britain somewhere about 27,500,000 bushels of wheat and Great Britain imported from all countries in the world 163,000,000 bushels of wheat, and of that quantity she took from the United States about 24,000,000. I will admit that if for all time the United States were able to export to Great Britain the same number of bushels as we do, and conditions remained the same in the British market, and there was no preference given to our wheat as an ordinary rule if we had the same transportation facilities as

they have, if we had the same commercial relations as they, the prices should be the same. I want to be fair about that. But remember it was only a few years ago when the American people were almost monopolizing the wheat market in Great Britain, and if present tendencies continue as they have in the last ten years, I believe that in ten or fifteen years the United States will cease to be a wheat exporting country at all. When that time arrives will it not be of some value to us to have free access to that market? I know the answer will be: But they are bound to buy our wheat anyway. I tell my hon. friend that they can buy Argentine wheat if they want to, and let it in free. It may surprise them to be told that last year Argentine exported twenty per cent more wheat to the British market than we did, and Argentine is one of the greatest wheat producing countries in the world. If Argentine wheat went into the United States free of duty, would it not be better for our farmers to have that market in addition to the British market? Because in Great Britain everything is always open to it. I do not think there is much danger of the British workingmen ever voting to put a duty upon the wheat his family uses. Depend upon it the British market will remain free for all time as it is today, and we will have that market open to us. Now in addition to that when the United States becomes a wheat importer, we are on the ground floor, we are in a position to do the business, provided we do not throw away the opportunity and let ourselves with customs regulations which will prevent us from taking advantage of it.

Mr. Barker—If our wheat is of a higher grade and of a greater value, why should we not establish our own market and sell our own wheat at its proper price rather than mix it with American wheat?

SIFTON WAS MIXED

Mr. Carvell—Who has been taking about mixing? It is only my hon. friend who is mixed. The hon. member for Brandon was mixed on Tuesday. These are the only men I have heard that are mixed on this question. They tell about this wheat being mixed, I think it was the hon. member for North Toronto (Mr. Foster)—and we are pretty safe in attributing to him any erroneous statements of that kind—I think he said in this debate: You might as well dump the elevators of Fort William and Port Arthur into the lake; when you get this trade agreement in force everything will go by American routes, our railways will go out of business and we are done forever. The hon. member for Brandon did not make quite the same statement, but he arrived at the same results, because he said there would be no more grading of our wheat, that you could not grade it it would be mixed with United States wheat, causing the price to go down, and the result would be that the Liverpool market which regulates the values of wheat would place a lower price on it. But who is talking about dumping elevators into the lake? Only the prophets of blue ruin opposite. Take the experience of the United States under present conditions. My hon. friends say that all this wheat is going by United States transportation channels. Last year we exported of our wheat through United States channels 15,950,000 bushels. How do my hon. friends account for that? There was no reciprocity then, there was no trade arrangement, there was no treachery or treason on the part of the Liberals. Everything was going along squarely when things were well enough—as my hon. friends say. Yet 25,000,000 almost 26,000,000 bushels of our wheat went through United States channels. Worse than that; of that amount 19,478,000 bushels actually went through the terminal elevators at Fort William and Port Arthur. How do you account for that? A child ten years of age could account for that, and the explanation is that it is purely and simply a question of transportation. I come back to my proposition of a short time ago. Give a staunch Tory one-tenth of a cent a bushel more on his wheat through the American channels and he will jump at it every time; so will the Liberal. We are all alike in that way.

Mr. Barker—That is what you are arguing for.

TORY LIP LOYALTY

Mr. Carvell—Their loyalty is only lip loyalty and it is confined to that holier-than-thou community called Toronto. What is the future of the wheat industry from the transportation standpoint? We will get the advantage of whatever the American market gives us, if there is any advantage. If there is no advantage the wheat will continue to go to Eur-

ope as it has in the past. It will go by United States channels if these channels are cheaper than ours, but if we can do anything to get our transportation rates down to the same level, or to a point one-tenth of a cent a bushel less than the United States rates, then the wheat will be shipped through Canadian channels. Does any man mean to tell me, that, with the history of the past in view and remembering how we have been going ahead in the last five or ten years, we will not be able to handle all the wheat that we raise in the next three or four years? I have here a comparison which shows the change that is taking place in the transportation of wheat. In 1903 we sent through the port of Montreal 8,000,000 bushels, whereas there was exported through the port of New York 14,000,000 bushels. I presume that that means both Canadian and American wheat. In 1908 the export through Montreal had jumped to 30,000,000 bushels and the New York trade had gone to 16,000,000 bushels. In 1910 Montreal had dropped to 20,000,000 bushels and New York had fallen to the insignificant amount of 6,000,000 bushels. Can any man read these figures without coming to the conclusion that Montreal is going ahead in the transportation of wheat faster than any other place? It is only a short time when, if we pursue the proper methods, the Canadian route will entirely control the transportation of wheat. We have only commenced to improve our transportation routes. It may be, as our hon. friends say, that we have spent \$150,000,000 in building the National Transcontinental Railway that is going to reduce the cost of transportation of the stable products of the west to Great Britain. We are, I believe—I hope so—entering into the project immediately of deepening the Welland canal. The government cannot start that work one day too soon to suit me, and I am told that next year we are going to commence the project of building the Georgian Bay canal. When we get these transportation routes perfected, even leaving out the Georgian Bay canal, and when the water in the Welland canal is deepened to 21 or 22 feet, does any man mean to tell me that we cannot transport wheat through Canada cheaper than they can through the Erie canal with a 6 feet depth of water? You only have to state the proposition in order to see the utter nonsense of the argument on the other side. I believe, and the figures prove that I am correct, that in the next five or ten years the exportation of Canadian wheat will practically cease through American channels and we will be able to control it all through Canadian channels. I hope this government will go on with these improvements and if they do it will not be very long until we are able to carry not only all our own wheat, but a great portion of the American wheat at the same time. We are reaching that point much faster perhaps than hon. gentlemen opposite realize unless they have given some thought to the subject. We have improved our trade routes to such an extent within the last three or four years that we are able to compete with the American routes as is shown by the fact that last year Montreal exported three times the quantity of wheat that New York did. During the present winter, so I am informed by officials who know, more than half of the wheat that is being shipped through the port of St. John is American wheat; the result of improving our transportation facilities as we have been doing. The government is not doing it all; the railways are doing wonders too. The Canadian Pacific railway will spend in the next three or four years \$20,000,000 or \$25,000,000 in perfecting their rail haul from the Georgian Bay to Montreal. They have double tracked their line to Smith's Falls or Sharbot Lake. We had a bill before the Railway Committee not long ago by which they are getting a charter for another road. We had a friendly little scrap over it; the Canadian Pacific railway wanted to build the road through a certain portion of the country because they thought that they could get a three-tenths of one per cent. grade by going by that route and the committee, I think rightly, allowed them to go that way. We have had the Grand Trunk railway improving their trade routes and we will have the Canadian Northern men, who are entitled to occupy almost the highest place among Canadian railway men, extending their road from the Georgian Bay to Montreal and Quebec in a short time. When these improvements are brought into existence I have no fear as to the carrying of Canadian wheat through Canadian channels. I am

taking up more time than I had intended.

Mr. Barker—If my hon. friend is going to continue and increase the shipment of wheat by the Canadian route through Montreal how is he going to get the western farmer a higher price for wheat down south?

Mr. Carvell—I thought I explained that. I thought I explained that wheat is higher at the present time in Minneapolis than in Winnipeg. If it were the same price and we both continued to ship in the same quantities and to the same market we would still get the same price. I want to make myself perfectly plain. I want to be perfectly fair and to make my argument logical. I said that I was going to take up one other question which has been considered in this House and the country during the course of this debate and that is the fruit question.

Well, we got a shock this afternoon. My hon. friends pounded their desks when my hon. friend from Welland, (Mr. German) was talking. I think that some of them must be really in a worn out condition physically this evening, the hon. member for Peel, (Mr. Blain) for instance. All of my hon. friends opposite certainly did a lot of honor to my hon. friend from Welland, and when my hon. friend from Welland, who was supposed to be the star actor, next to my hon. friend from Brandon, (Mr. Sifton),—

LIBERALS ACCEPT THE AGREEMENT.

Mr. Crockett—Who is to be the next?

Mr. Carvell—There will not be very many more. I will tell my hon. friend I can tell my hon. friends opposite that with the exception of those who have spoken there is not a "next" on this side of the House. All the others accept the agreement loyally, believing that in helping to make it law they are doing something that will redound to their own credit and to the everlasting advantage of the Dominion. My hon. friend from Welland (Mr. German) dealt with the fruit question and he lives in a fruit district and he gives it as his opinion that his constituents will benefit by this arrangement and he ought to know. Hon. gentlemen opposite tell you that it is going to ruin the fruit industry, that 800 fruit growers petitioned the government some time ago not to carry out the agreement, but between my hon. friend from Welland on the one side and gentlemen opposite on the other, for my part I would take the evidence of the hon. gentleman from Welland because he knows.

Mr. Barker—He said he did not know.

Mr. Carvell—He said he did know. Mr. Lennox—No, he said he preferred to take the opinion of the fruit growers.

Mr. Carvell—I do not wonder my hon. friends want to get away from that point because it is all in our favor.

Mr. Crockett—The member for Welland said he would accept the opinion of the men in the trade because he did not know himself.

Mr. Carvell—My hon. friends are welcome to whatever comfort they can get from that.

Mr. Barker—Thank you.

WILL HELP FRUIT GROWERS.

Mr. Carvell—The hon. member for Yale-Cariboo (Mr. Birrell) told us it was going to ruin the fruit industry of British Columbia, and Mr. McBride says so, and the whole Tory party of Canada of course are bound to say so, but a newspaper printed right in the capital town of the constituency of my hon. friend (Mr. Birrell) says the agreement is the best thing that ever happened for the fruit growers. Now, I am inclined to believe that newspaper. I do not believe that the fruit growers of British Columbia, who can raise the best fruit in the world, are not able to compete in the mining and manufacturing centres of the west with the fruit growers of California or elsewhere. As to the Niagara peninsula fruit growers, the morning after the Minister of Finance brought down these resolutions, I met a gentleman who is intimately acquainted with the fruit industry there, and he told me that the result of the arrangement would be that the Niagara fruit growers would have more of a con-

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Bright Brains Count

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