

GUTHRIE SOUNDS WARNING TO KING GOVERNMENT

Arouses Deep Feeling in Commons in Speech on Budget—Moves Amendment Regretting Failure to Protect Agriculture and Commerce

"A change will be necessary, the Government must face this situation. They can do it, we know what we can do in this country, we have everything at our disposal. Do not let us have over-anxiety in regard to this matter. This can be put right, and if this Government does not put it right, another Government will take its place which will do so."

This pointed challenge to the King administration came near the conclusion of a forceful speech by Hon. Hugh Guthrie, acting Leader of the Opposition, in criticism of the main points in the sixth Robb Budget and just before moving an amendment to the motion for the House to go into committee of Ways and Means.

Mr. Guthrie, in moving his amendment, said: "For the reasons I have given, because this Government has been absolutely neglectful of the interests of at least 75 per cent of the people of this country, neglectful of the interests of the agriculturist and of those engaged in industrial employment, because the Government has failed in every way to safeguard and protect them, I beg to move the following amendment, seconded by Sir George Perley: "That all the words after the word 'that' be stricken out and the following substituted therefor: 'This House regrets that the financial proposals of the Government have no provision for reasonably safeguarding and protecting the interests of those engaged in agricultural pursuits or in industrial employment in Canada.'"

venience could result, no matter what attitude the United States Government and Congress assumed. But I base that statement wholly upon this condition, that at the same time we have in the Dominion a Government with sufficient resolution and sufficient courage to meet the situation. If we have not such a Government, then I do see some real ground for anxiety as to what may face us in the immediate or more remote future.

"When the Minister of Finance made his budget speech he gave the House a clear statement as to the export and import trade of Canada, or the total trade of Canada, based on exports and imports. Let me repeat it. I am taking the calendar year ending on December 31 last. There is a good deal of difficulty sometimes in adjusting the figures between the calendar year and the fiscal year. These figures are for the calendar year ending December 31 last:

"Total trade, domestic and foreign: Exports, \$1,374,130,000; imports, \$1,222,218,000; total, \$2,596,348,000.

"And the minister announced amid great applause and approval, that he had a favorable balance of trade of \$154,000,000. That, I grant, is a substantial favorable balance. As I say, it was well received by his followers; they applauded to a very marked degree;—they approved of the announcement.

Trade With United States

"Now let us return to the trade figures with the United States. It is a matter of surprise that more than one-half of our foreign trade is done with the United States. Last year our trade figures with the United States gave us a total in exports and imports of \$1,318,282,000. We imported \$828,741,000 and we exported \$489,541,000. In other words, our imports were \$338,000,000 more than our exports; our trade with the United States resulted in an unfavorable balance of that amount. Now, if a favorable balance of trade is a good thing for a nation—and the Minister's announcement was heartily applauded on the other side of the House—what do they say of our trade with the United States when there is such an enormous unfavorable balance? Will honorable gentlemen opposite condemn that unfavorable balance of trade?"

"They applauded the favorable balance of trade with the world. Will they condemn our unfavorable balance of trade with the United States?"

"I submit, Mr. Speaker, that there is something seriously wrong in regard to the trade of this country with the United States. I believe I know what is wrong. I believe we are buying too much from the United States year in and year out. Every year our purchases are increasing, and we are not selling enough to our neighbors. At the end of the fiscal year our operations resulted, as I have shown, in an adverse balance of trade of \$338,000,000. That balance has to be settled. We have to pay it either in gold or in goods. It can not go on forever; it must be paid, and the money will have to come from this country.

"Now it is worth while considering in a little more detail some of the trade figures with the United States. What do we sell them? How shall we be affected by a change in the fiscal policy of the United States in regard to agricultural products? In our trade figures, as furnished by the Department of Trade and Commerce, it is just a little difficult at all times to find what are farm products and what are not; they include in the figures a good many things that are not farm products. Let me give a rough analysis of some of these figures. I find that in agricultural and vegetable products we sell to the United States, according to the trade returns, \$36,000,000 in

round figures. That I grant is a large amount. But we find that, included in that figure are ales, wines, beers, whiskeys and rubber, amounting to \$24,500,000—commodities that are not farm products in our view of the matter.

"These should be deducted from the \$36,000,000, leaving a total of exports to that country, in agricultural and vegetable products, of some \$11,500,000. When you come to the other classifications, which involves some trouble—animals and animal products—you find the same thing. Our trade returns show that we sent to the United States last year, in animals and animal products, \$92,000,000 worth of exports. But when you come to analyze that figure you find included in it, fish, \$13,000,000; furs, \$14,000,000; leather, \$8,000,000; oils and grease, \$1,399,000; or a total of some \$39,000,000 of goods which we do not consider strictly farm products. This should be deducted from the \$92,000,000, which would leave a balance, under animals and animal products, of \$52,985,000, or a total of agricultural products shipped to the United States of \$73,985,000. I think we can fairly cut that down by another \$10,000,000. We send them \$10,000,000 worth of hides, and we buy from them \$10,000,000 hides. That is a cross-entry. If they stop our hides from going in, we will use our own and that will settle that point. So that we find actually that we sell them in agricultural or farm products, as we understand the term, only \$63,000,000 a year. We import from the world in farm products something between \$50,000,000 and \$60,000,000 a year.

Mr. Malcolm: "Will my honorable friend specify the figures as we did in the other case?"

Mr. Guthrie: "I put them on Hansard a minute ago."

Mr. Malcolm: "But specified imports."

Mr. Guthrie: "I will give the imports, starting with corn. That is the list of them. My list was not exhaustive, and it runs to over \$50,000,000, and probably \$60,000,000, of farm products which we are bringing into Canada to compete with the products of our own farmers. That is what we are bringing in, while we are sending out, if you exclude hides, only about \$63,000,000."

Obliviating The Difficulty

"Would it not be a simple matter under these circumstances to obviate any difficulty that might arise in connection with the tariff of the United States on farm products, if we produced in this country and sold to our own people these goods which we now sell to the United States, stopping the importation into Canada of those products which we are now bringing from other countries to compete with the products of our own farmers. To accomplish that, all we need is a Government with some courage; all we need is a Government with some resolution; all we need is a Government that has the real interests of the people, of the farmers of Canada, at heart. With such a government no permanent difficulty at all events would arise.

"Now I can see that any disarrangement of our present trade with the United States might, for the time being, cause considerable inconvenience, and some loss. I realize quite well that in many respects the United States market is the most convenient, the most expedient that we have; in many respects it is the very best market in which we can sell our farm products. But if the tariff of that country is raised so high that we cannot enjoy that market, then we shall have to shake ourselves to enjoy the Canadian market to the full extent, and at the same time to seek other markets throughout the world. In order to do this, however, we shall need to have a fair application of the principle of protection in our customs tariff. And unless we adopt that principle, if the United States Government sees fit to raise its tariff against our farm products, great difficulty may ensue in connection with the marketing of our farm products in the future.

"I can conceive a situation which would seriously affect the shipment of our cattle to the United States. Last year we shipped to the United States \$17,745,000 under this head. An adverse tariff might cause inconvenience and some loss for the time being in that regard.

"Our grain shipments were about \$10,000,000. . . nothing like what I imagined they would be. In vegetables our whole shipment consists practically of about \$5,000,000 in potatoes and, in turnips, about \$700,000 or \$800,000. We do send a large number of seeds to the United States; last year we sold them about \$6,000,000 worth.

"Surely we can find another market for these seeds. In raw furs we sent them \$14,000,000; hides, \$11,000,000; and we bought back \$10,000,000; meats \$11,268,000. This is a big item, and one in respect to which there might be some temporary embarrassment and inconvenience. In milk and milk products the figure is \$10,000,000 or nearly \$11,000,000, and in this connection, too, the situation might be

serious for the time being; while in hay the figure is about \$1,000,000 or \$1,200,000, and in bran and shorts about \$3,000,000, or \$2,500,000. These, so far as I can see are the only articles with respect to which we could possibly be inconvenienced, or for a time be seriously affected. So far as I can see, any difficulty that may possibly arise on the horizon can be overcome by action on the part of this Government and of Parliament. We have nothing to fear in Canada. We have nothing to introduce into it if things develop as I anticipate they would; we can put up our own tariff of this country, to protect our own people, that element of protection which the tariff has not now.

Free-Trading Ministers

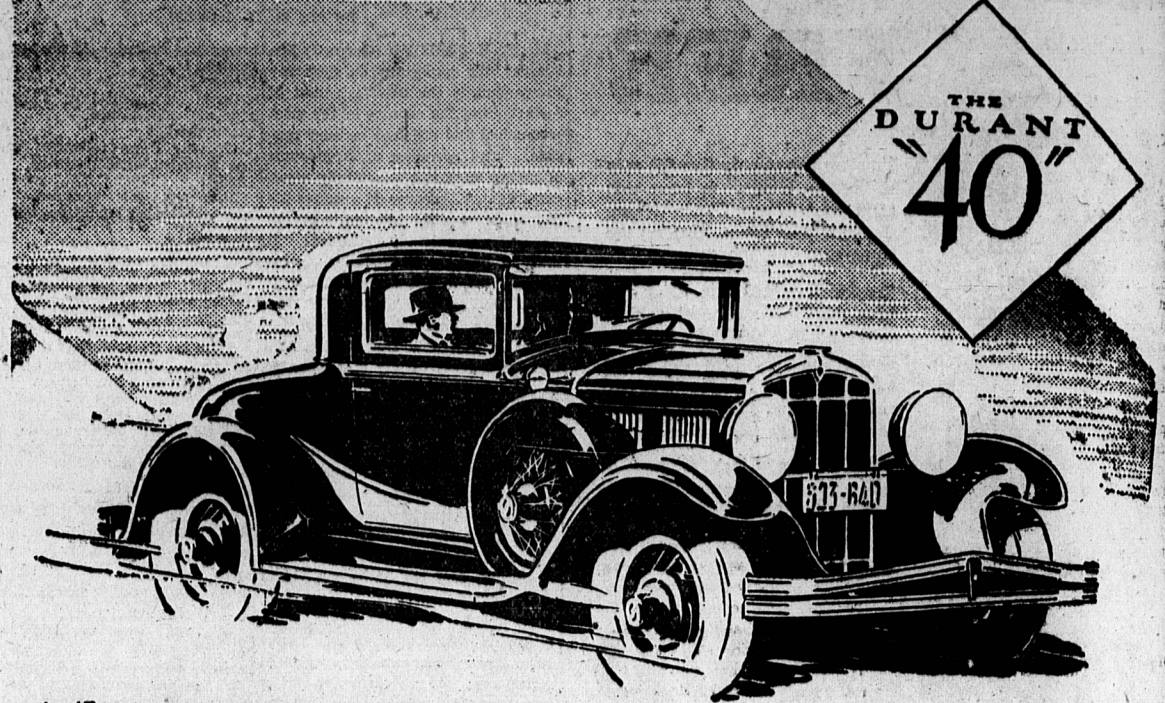
"I can imagine that it will not be the easiest thing for my right honorable friend the Prime Minister (Mr. Mackenzie King), surrounded as he is by such out-and-out free traders as the Minister of Agriculture (Mr. Motherwell), the Minister of Railways (Mr. Dunning), the Minister of the Interior (Mr. Stewart), who would ring the death knell of protection in the House of Commons, and the Minister of Immigration (Mr. Forke.) I can understand that my right honorable friend would have difficulty. But I fancy that these four ministers will be found amenable to reason. I believe that in a few months' time we shall find that they have become converts to the doctrines which have been advocated from this side of the House for a long time. And I can tell you that the completeness and the suddenness of their conversion will place in the background that great conversion that took place on the road to Damascus. But what about that peculiar type of free traders, Liberal free traders, whom we find scattered about in all the provinces of Canada? What are we going to do about these loud-voiced individuals who give us no peace, these worshippers at the shrine of Adam Smith, these men who still dwell in the political atmosphere of two centuries ago?"

"I think I can make a prediction in that regard, I believe the word of command will go to them. 'Right about face,' and they will obey that demand with alacrity. Oh, the scales will fall from the eyes of these hard-shelled, thick-skinned free traders scattered throughout this Dominion of Canada. I predict that next year it will be found that they have shed their skins and taken on new ones, and they will remind one of nothing so much as the snakes coming out of the stone piles in the spring. A change will be necessary, the Government must face this situation. They can do it; we know what we can do in this country; we have everything at our disposal. Do not let us have over-anxiety in regard to the matter. This can be put right, and if this Government does not put it right, another Government will take its place and will do so."

CANADA ORDERS PLANES

LONDON, March 21—Orders for 25 Avro-Avian light planes for Canada have been placed in this country. Ten of the planes are to be fitted with Armstrong-Siddeley air-cooled engines of 90 horsepower. The others will have Cirrus engines of 90 horsepower. It is understood this is only the first part of a much larger order which is to be placed for these light planes in Great Britain.

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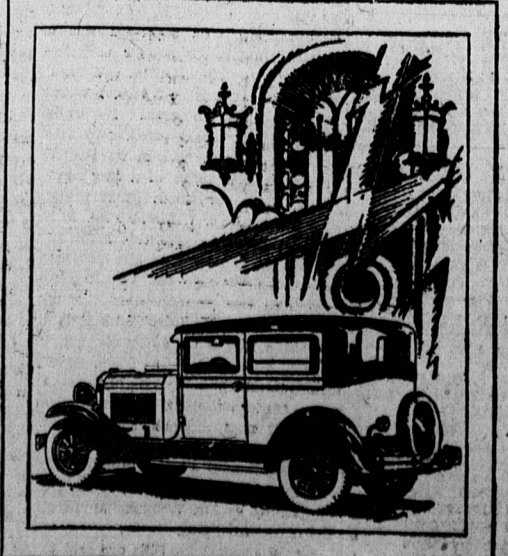
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