

based upon the contention that the cooperative societies in Australia paid a bonus of 6 cents a pound on export butter, presumably distributing that bonus over the domestic butter sold in Australia, and he contended that this was to all intents and purposes the equivalent of a dump. So he imposed a dumping duty which effectively stopped the importation of Australian butter in large quantities.

It was not until the government extended to New Zealand the provisions of the treaty by an order in council that the butter competition became acute. As far as Australia was concerned, butter did not continue to be a serious matter of competition because of this dumping duty. The effect of that duty was that Australia charged that Canada had not acted in good faith—I am not here to support their views but that is actually the fact. We should have recognized that complaint on the part of Australia long ago and sought to improve this treaty. At any time from 1926 or 1927 down to the present time we could have improved that treaty by negotiation or conference with the commonwealth of Australia. But be that as it may, the fact remains that at the present time there is in the first place a great deal of dissatisfaction in Canada, particularly among the farming classes, because of the effect this treaty has had upon their products and, on the other hand, there is a great deal of dissatisfaction in Australia. This matter should have been attended to before this, but the time has now come when this treaty should be revised in the interests of both parties.

A delegation of business men, I think exclusively from British Columbia, have been travelling recently through Australia and a despatch appears in the *Monetary Times* of March 21, 1930, which indicates the spirit of good will resulting from this visit. This despatch reads as follows:

This delegation went there to endeavour to further the export of lumber from this country to Australia, to secure data that would help reciprocal trade between the two countries, and figures presented at a gathering of the Brisbane chamber of commerce, when the delegates were present, show what is possible. Queensland, for instance, in 1928, imported 14,000,000 feet of soft woods, and of this amount 13,900,000 feet came from other countries than Canada. Australia in 1928 imported 143,000,000 feet, and only a small fraction of this came from Canada. The suggestion was made by J. E. S. Plumridge, president of the chamber, that the time had come for the appointment of a small committee, not a big commission, by the federal government to go into the matters of trade between the two countries, and hoped that as a result of the present visit a comprehensive inter-Empire trade policy would be initiated.

The president of the Australian chamber of commerce suggested that a conference of this kind should take place between the governments of Canada and of Australia.

I am sorry the hon. Minister of Trade and Commerce (Mr. Malcolm) is not in his place, because I think there is one factor in this matter which should engage his attention, that is the question of banking exchange. Australia is able to reduce its adverse balance of trade through the export of gold, as that country is one of the large producers of that metal. During the last eight months, that country exported \$79,000,000 worth of gold, which exportation very largely offset their adverse balance of trade. The following appears in the *Commercial Intelligence Journal* of March 26, 1930, and I would remind the government that this publication comes from their own bureau, and therefore I expect that they have a knowledge of it. The article is as follows:

Recently the general managers of all trading banks in Australia were summoned to Canberra to attend a conference with the Commonwealth treasurer, but while these deliberations have not been disclosed, it is generally conceded one of the main results is that all the banks are imposing a more stringent check upon the volume of imports to conserve their balances in London.

I would remind the hon. member for Rose-town (Mr. Evans) who before dinner flayed all and sundry who sought by tariffs and negotiation of treaties to promote trade relations, that it is not enough to put everything on a free list to make every one happy; there are economic difficulties which arise and which cannot be ignored. This is one which the government should take note of, and in negotiating treaties efforts should be made so to arrange matters that the banking exchange will be taken into consideration. The following appears also in the article I have just quoted from:

A cablegram from Mr. D. H. Ross, dated March 14, amplifying the above report dated February 20, reads as follows: "Fixed deposits Australian banks for six months, four three-quarter per cent; twelve months, five per cent; twenty-four months, five and a quarter per cent per annum. Telegraphic transfer rates London increased to four pounds, two shillings, six pence, but very difficult to obtain; in some instances up to six pounds being paid."

The article continues:

It is thus apparent that Canadian manufacturers and exporters interested in Australian trade must rely upon their own banks for such accommodation and consideration as the exceptional circumstances warrant.

The article continues:

Undoubtedly there is the danger that of drafts sent by Canadian banks to their corre-