

with those of our own blood and language in the lead, are tenaciously, though perhaps unconsciously engaged in warfare, a warfare which, though not waged by forces under arms, betrays all those symptoms of war which we know of old—blind antipathies, and passionate but often perverted, patriotism. It is a state of war, as writers on the subject have pointed out, brought about not by famine, the necessity which drives savages to invade new territory, but by the opposite condition of plenty: It is due, in other words, to a surfeit of goods, which, produced mechanically at a feverish rate and being denied a market, have resulted in a fierce and unnatural competition.

The nations do not see that separate efforts to achieve a wealth of nations, so far from accomplishing that end, are resulting, despite a spectacular fortune here and there, in a general beggary of the populations concerned. Nor do they perceive what seems so clear to us, that the foundation upon which they have built is playing them false, that the one antidote for war is the unimpeded interchange of goods just as the only effective disarmament consists in deposing the tyranny of tariffs.

I should now like to quote, Mr. Speaker, from Sir George Paish's book, *The Way To Recovery*:

What is the chief cause of the growing distress of the basic industries of all countries. Is it not that the nations are endeavouring to reintroduce the very old and outworn system of self-sufficiency and to abandon the new and creative system of international economy, interdependence, and cooperation? Are not the nations strenuously seeking again to be self-contained and thus causing injury to their basic industries in a threefold manner?

(1) Each country is preventing its basic industries from disposing of its products in sufficient quantity by raising barriers to the receipt of payment for its exports in the products of other countries. Demand is therefore reduced.

(2) The values of basic products are governed by their values in the world markets, and with insufficient demand these values are extremely low. Thus reduced demand is attended by reduced prices.

(3) The values of each country's non-basic products are artificially maintained, because they have a privileged position in a natural market. Hence producers of basic products at the present time are experiencing an inadequate international demand, and for the quantity they can sell they have to accept low international prices, at the same time that they are compelled to accept payment in non-basic commodities at high national prices. They have to sell at competitive international prices and to buy at artificially maintained national prices, under conditions which create an over supply of the products they have to sell and a severely controlled supply of the products they have to buy.

I do not think it can be said with any degree of justice that it is unlikely that any good will flow from these agreements. I believe that there may be some increase of business between the various component parts of the British Empire. In fact the Prime Minister

[Mr. Butcher.]

himself quoted some cases where there has already been some considerable improvement.

Mr. YOUNG: Before the agreements went into effect?

Mr. BUTCHER: Yes. I think it is very probable that this will be the result; there may be, at any rate for the time being, some increase in the amount of business done by Canada with Great Britain. On page 119 of the record the Prime Minister spoke of the increase in the value of Canadian exports to the United Kingdom in the first five months of the fiscal year. He said they had increased to \$2,481,968 as compared with \$1,570,244 in the same period in 1931. The Prime Minister then enumerated some of the articles in which there has been increase of business; for instance: typewriters, paper boards, medicinal preparations, electrical appliances, socks and stockings, and so on. But during the same period to which the Prime Minister referred, or rather one month longer, I find certain figures relating to our total export business, our grand total of Canadian trade. I have in my hand a summary of Canadian trade by the Department of National Revenue for the month of September, and for the six months ending September. In the month of September, 1931, we exported domestic merchandise to the sum of \$48,991,385. In the same month of this year we exported \$42,186,815 worth. So that there is a decrease in total trade for the one month of \$6,804,570. But taking the six months ending September, we find that our domestic exports in the year 1931 amounted to \$295,516,898, and in 1932 to \$234,182,869. So that while we did do almost a million dollar's worth more export business with Great Britain in the period since the British import duties were put on, in the six months we have done altogether \$157,000,000 odd less world export business. Our grand total of Canadian trade for the six months ended September 1931, was \$619,504,397; for the six months ended September 1932, \$459,596,058, a decrease of \$159,908,339. So that while within the empire we have done an increased business, we have done a very much smaller business throughout the world.

With regard to the agreement itself, so much has been said by various members on this side of the house that it is unnecessary for me to deal with the articles at length, but I wish to draw attention to one or two points. Article 4 reads:

It is agreed that the duty on either wheat in grain, copper, zinc or lead as provided in this agreement may be removed if at any time empire producers of wheat in grain, copper, zinc and lead respectively are unable or un-