

Canada-U.S. Trade Agreement

he now watches his party lower tariffs and the price of implements go up. Members of his own party ask, why? The price spreads committee have investigated and reported, and hon. members will find in that report practically everything one can expect to get out of the commission as to the reason why prices have risen. So there are more myths than those of the protectionist.

Mr. DUNNING: May I just suggest, without being too rigid, that I think there is a rule which perhaps I as well as other speakers have somewhat transgressed in this discussion. I think the rule in committee is that the discussion must relate directly to the matter under discussion.

With reference to the last remark of my hon. friend from Dufferin-Simcoe (Mr. Rowe), if it is true, as he states with respect to farm implements, that a reduction in the duty puts the price up, that rule should also apply to hogs, so his previous theories are ill-founded.

Mr. ROWE (Dufferin): The two commodities are not manufactured in the same factory.

Mr. ROSS (Moose Jaw): My hon. friend says that the hog raisers of this country received \$36,000,000. If they did so it was at a cost to the farmers of Canada of about \$360,000,000 in other ways during the same time.

Mr. BENNETT: I was going to point out that this item divides itself into two parts. I endeavoured to indicate that the rate on this class of meat going into the United States is six cents, while on meat coming from the United States or any other country covered by the most favoured nation clause the rate will be three cents, because the countries that have most favoured nation treaties with us will get the benefit of the lowest United States rate provided in this agreement. But there is another class of which I have not spoken and to which I desire to direct only a few words. The effect of giving the intermediate tariff to the United States is to enable their meat to come into this country for 1½ cents per pound where previously it paid the general tariff rate of five cents.

Mr. DUNNING: That is on bacon.

Mr. BENNETT: Yes, that is on bacon.

Mr. DUNNING: Not in this item.

Mr. BENNETT: But it arises out of the intermediate tariff being given. I do not propose to traverse the observations made by the hon. member for Moose Jaw; I am only going to read what was said in that connection

[Mr. W. E. Rowe].

by the Secretary of State of the United States. He may have been entirely wrong and the hon. member for Moose Jaw may be entirely right, but this is what he said, that Canadian concessions on meats and meat products duties will open the way "for our farmers to get back a bigger share of the British pork market. The new agreement will permit American pork to go to Canada to replace Canadian pork exported to Great Britain, thus, in effect permitting increased exports of American pork to Great Britain." I hardly think anyone who has observed the history of the growth of the bacon and pork industry in this country since 1932 would make the observations that have been made in the house this afternoon.

One of the leading supporters of the Liberal party, a gentleman who prides himself on the fact of his notable contributions to it, Mr. McLean of Canada Packers, has issued a booklet which I think he has put into the hands of every member of this house. In that booklet he pointed out, rightly or wrongly, that the effect of the agreement made here in 1932 was to put into the hands of the farmers of this country not less than thirty-six millions of new dollars, not by reason of a tariff alone but because we had free access to the markets of Great Britain and Great Britain imposed a tariff against foreign pork products. The result was that the 1932 agreement prevented the farmers of the United States from selling their products in Great Britain without the payment of a duty, which was imposed by Great Britain and not by Canada; thereafter their products did not enter that market except to a very limited extent, and we obtained the benefit of that. Mr. McLean said that that meant some \$36,000,000 to us. I do not know whether that is a correct estimate, though I am informed by the hon. member for South Waterloo (Mr. Edwards) that another packing firm, Wilsil's, of Montreal, made the same estimate. This I do know, however, that to a very considerable extent we supplanted Denmark in the British market because we had free access to that market. We fixed a quota so large that as yet we have not reached it, and as a result Canadian farmers have had a ready, stable and continuous market for their products in Great Britain. It has been the most stable market, according to the representatives of the packers, that we have had in Canada since we became a dominion. As a consequence we have steadily increased our exports; we have supplied more and more bacon to Great Britain, and because of the duty imposed by Great Britain the United States has been unable to send her products to that market.