

basis that under it the Canadian farmer had not received a square deal. My hon. friend said that the farmers wanted no duty on their butter, but that he was willing that the treaty be repealed. May I point out to him that if the treaty is repealed, the butter which under the treaty, now comes in under a duty of one cent per pound will come in under a duty of four cents per pound. My hon. friend was speaking only of his view, which is really a somewhat isolated view, and I submit to him—

Mr. EVANS: Would the hon. gentleman permit me to interrupt? I said that the duty which was in effect previous to the Australian treaty never did the farmer any good, and it never did.

Mr. STEVENS: Very well, but I am pointing out to my hon. friend his inconsistency, and I am not going to spend very much time on it. I am pointing out just where his long-laboured argument against all forms of customs duties would land him, if his view in regard to the repeal of the treaty were carried out. I listened with a good deal of patience, as I always do, to my hon. friend and as usual his discourse to-day was rather a bitter arraignment of all those who think differently from him with regard to tariff matters. Towards the end of his rather doleful argument one was reminded of the words of Jeremiah when he said, "Woe is me; I am wearied with my groaning, and I find no rest."

The hon. gentleman spoke of the immorality of the thing and of the grinding down of the people by those who favour anything in the nature of a tariff. I think it is time my hon. friend, who has been in the house for a number of years, realized that great questions of trade, of commerce and of government administration are never decided on theories or motions of equity between man and man, but by people sitting down and discussing their problem face to face in an endeavour to arrive at some common understanding. That is precisely what a treaty is supposed to do, and that is what a treaty should do.

The Australian treaty, which it is being sought to repeal, is a trade agreement between the Dominion of Canada and the Dominion of Australia. Negotiations looking to the consummation of the treaty were first started in 1921, when for a very brief time I was Minister of Trade and Commerce. We authorized Mr. Ross, who is still in Australia, to open negotiations for this treaty, for this reason: It was found that Canadian manufacturers of paper, newsprint in particular, were faced with an unfair competition in Australia since British newsprint, manufactured largely from Swedish,

[Mr. Stevens.]

Finnish and Norwegian pulp, was admitted into Australia under preferential terms while Canadian newsprint was denied those terms. So we opened negotiations to see if we could not get better treatment for Canadian newsprint. Those negotiations were carried on by the minister who followed me, the late Mr. Robb, and the result was the treaty of 1925.

In order to get a treaty which will be satisfactory you must endeavour to stimulate or develop a two-way traffic. I think that principle will be accepted by all economists in the house, and notably by my hon. friend from Weyburn (Mr. Young). Unfortunately it has been the case for many years that our trade with Australia has been very one-sided; we have been selling Australia a great deal more than we have been buying from that country, and I admit that it is a difficult thing to know just how to stimulate our purchase from Australia without doing injury to our own people. However, I think before I conclude my remarks I shall demonstrate that there is ample scope for effort along that line, which I believe will result in good to both countries.

Let me remind the house that the climatic conditions of Australia differ very considerably from those of Canada. The northern part of Australia is quite tropical, and there is no doubt that some of the products of northern Australia could find their way into this market, under proper guidance and direction and with a reasonable preference, to the advantage of Australia and not with any disadvantage so far as we are concerned. The treaty at the outset was based upon this newsprint dispute and then, as I have indicated by the remarks made by Right Hon. Arthur Meighen in 1925, the first treaty negotiated was fairly satisfactory. I do not think that even the first schedule was satisfactory in all respects, but certainly it was much better than the present schedule. Under pressure the government, instead of increasing the general tariff on certain items and giving Australia the preference, notably in connection with butter, allowed the general tariff to remain where it was and gave a reduction to Australia.

Then something else occurred which militated very seriously against Canada and which has resulted in a feeling of something akin to ill will in Australia as against Canada. The treaty was consummated in the fall of 1925. Shortly after the ratification of the treaty Australian butter began to pour into the Canadian market, particularly through the western ports, and at once the farmers of Canada became alarmed at the threatened competition. The late Mr. Boivin, who was then Minister of Customs imposed a dump duty of 6 cents per pound against Australian butter. That was