

● (9:10 p.m.)

There have been few ministerial visits to Canada. Recently the Prime Minister of New Zealand visited us, but previously there was a tendency for Canada to be bypassed when New Zealand ministers were touring the world. However, Mr. Speaker, when you are in New Zealand the situation is entirely different. One could not ask for greater friendship or greater hospitality than was extended to our delegation when we were in that country, a delegation that was so well led by the very able Minister of Consumer and Corporate Affairs (Mr. Basford). I am sure he will recall that visit with great pleasure.

If we look at the trade picture between our two countries we find that we sell about 300 products to New Zealand, some in fair sized quantities and some in lesser quantities. We sell New Zealand a considerable amount of chemicals and fertilizers, but virtually all the goods that we sell are industrial goods that come from central Canada and it is quite obvious that in return we buy virtually all agricultural products, which will principally affect the farmers of western Canada. At one time those products were butter, cheese and mutton. Today the principal product is New Zealand beef, which is a prime competitor for our western beef industry. Yet this is at a time when the government through its Lift program has been suggesting to western farmers that they should get out of grain production and concentrate on beef production. At a time when our farmers are being told they should switch from grain to beef, an agreement is made between our country and New Zealand to provide for the importation of more beef products from that country.

I would like to indicate how trade between the two countries has been changing over the last few years. For a long time our exports to New Zealand were at least double our imports from there. In 1968 we exported \$31,842,000 worth of goods to New Zealand and imported \$18,645,000 worth of goods. In 1969 this pattern changed; we exported \$36,976,000 worth and imported \$41,482,000 worth. For the first time we started to import more than we exported. There was a reason for that, Mr. Speaker. For years most of the products we imported did not find their way on to the Canadian market. They came into Canada to be transhipped to the United States and did not have a serious effect on our domestic market. Here they were cut up, packaged and prepared for North American delivery and forwarded to the U.S. market. That situation existed until last summer, when serious objection was raised by American farm organizations that Canada was being used as a bypass for New Zealand produce. As a result, this trade was effectively curtailed.

In 1970 we exported \$35,192,000 worth of goods to New Zealand. In fact, through the years our export figures remained fairly constant. But in 1970 we imported \$38,311,000 worth of goods from New Zealand, which came on to the Canadian market because the U.S. border was being closed to New Zealand imports; New Zealand products could not enter the United States as easily as before. New Zealand goods that were in storage in Canada for transshipment to the U.S. found their way on to the

New Zealand Trade Agreement Act

Canadian market and represented a serious source of competition for the already hard pressed Canadian farmer.

Therefore, while the signing of agreements of this kind with a country like New Zealand is welcome, a country that is very much like Canada in terms of its people, its outlook and attitude, and while we want to extend the scope of our friendship and trade, it raises enormously serious problems and adds to the already great feeling of unhappiness and sense of neglect being felt in our western provinces.

The argument we have always heard is that the east is continually trading off agriculture for manufactured goods. Westerners said this with respect to the Kennedy round, and with a considerable amount of truth. They will say it again with respect to this agreement, again with a considerable amount of truth. This is the great dilemma that faces us. It would not be such an enormous dilemma, Mr. Speaker, if we had a statement of policy from the government. This is the great difficulty.

We know that changes in trade are taking place throughout the world. The farmers know changes are taking place. But what actually is happening? What kind of provision is being made to take account of the dislocations? When my colleagues listen to me speak about the necessity to protect the shirt and shoe industries in my riding, they ask me, with great justification, "What is being done to protect the farmer?" That is part of the grievance of the west. What we need is a policy that takes these matters into account, that recognizes the diversity of interests within this country and in a planned fashion, with an organized approach, with the co-operation and participation of those affected, reaches a decision about the future of industries in such a way as not to disrupt violently the livelihood of those engaged in them and their ability to survive.

Therefore, we feel that the government must provide us with answers to the questions that this agreement raises. We want to know what have been the consequences of trade between Canada and New Zealand and what provisions the government is making to take account of them. We intend to give the bill close scrutiny both in committee and in the House.

[Translation]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I would like to make some comments on the bill under consideration and at the same time ask the Parliamentary Secretary to the Secretary of State for External Affairs (Mr. Ouellet), for some information relating to the expressions "goods", "goods the growth", and so on.

Article 2 of Bill S-4 reads as follows:

Articles IV and V of the Agreement are deleted and replaced by the following Article:

Now, in article IV of the agreement signed in 1932 and assented to May 13, we read the following:

Goods entitled to entry under Article I hereof shall not be subject to Section 6 of the Customs Tariff of Canada unless previous notice has been given by the Government of Canada to