

would be prepared to negotiate for a new agreement with Great Britain at any time. Generally speaking, Norway considers that it stands in a stronger position than most foreign countries, as on the whole its balance of trade is in favour of Great Britain, for, while most of Norway's goods exported to Great Britain are now dutiable, about 75 per cent of British exports to Norway are duty free. At the same time it is recognized that the Ottawa conference is the beginning of a new development in British trade policy, and that new methods may in future be necessary.

It is not necessary to go as far as Norway or Denmark to find examples of possible reprisals. When making his announcement with regard to these agreements the Prime Minister made the following statement which appears at page 121 of Hansard:

Under normal conditions Canada exports annually about 1,800,000,000 board feet of lumber valued at \$50,000,000 of which 1,445,000,000 feet valued at \$39,000,000 has been going to the United States, and 186,000,000 feet valued at \$6,474,000 to the United Kingdom.

Then come the words to which I draw particular attention:

The recent United States import tax of \$3 per 1,000 board feet has practically closed this market to Canada.

A Canadian press despatch dated October 5 reads as follows:

An increase in duty on Canadian lumber entering United States from \$3 to \$4 per 1,000 feet board measure becomes effective immediately according to an announcement received today by a Toronto lumber firm from the Treasury department, United States customs, Buffalo, New York.

A few moments ago an hon. member opposite stated this action was not taken by way of retaliation. Possibly not, but certainly it has all the appearances of retaliation. It would seem that the United States authorities had in mind some of the arrangements made at the recent conference.

Then again at page 123 of Hansard the Prime Minister is reported as follows:

Until recently our surplus production of copper was sold almost entirely in the United States, the only market available to copper mines of British Columbia and eastern Quebec.

Then he uses the same words, "The recent United States tariff" and goes on to say:

The recent United States tariff of four cents per pound closed this market.

Is it not probable that this action on the part of the United States was more or less in reply to some of the agreements of the Imperial economic conference?

Mr. BENNETT: The only difficulty is that they were taken first—months before.

Mr. BUTCHER: I accept the statement of the right hon. gentleman. I notice however that the statement I have just read is dated October 5.

Mr. BENNETT: I am speaking about copper. That action was taken months before.

Mr. BUTCHER: This statement in regard to lumber is dated October 5.

Mr. BENNETT: I am talking about copper.

Mr. BUTCHER: I accept the right hon. gentleman's statement that the copper duty was increased before. It has been said that tariffs have always at least one of three objectives: raising revenues, diverting trade to other presumably more-to-be-desired channels, or increasing protection for home industry. These agreements obviously and admittedly do not serve the first purpose but are to implement the second and third. They are for the purpose of diverting trade into channels said to be more desirable. Also quite obviously they are intended to increase protection for certain home industries. As I said previously, however, it is my firm conviction they will invite reprisals and will be detrimental to our national trade.

Recently I read an article written by Lord Revelstoke from which I shall quote. At a company meeting at which he acted as chairman he said:

"What do we see when we look abroad today? We see a world writhing, as it were, in a purgatory of its own making. We see the stream of international commerce which is said to require, for its normal flow, some £400,000,000 of fresh credit every year, reduced to a trickle and losing its way 'in bogs and sands,' the price of goods having fallen below the cost of production. We see these goods losing value daily, because they have ceased, or nearly ceased, to change hands. We see the burden of debts and of taxation intensified to breaking point, solvent debtors in default, banking facilities at a standstill. We see the delicate mechanism of exchange crippled by arbitrary control, barter between governments supplanting the effort of individual traders, foodstuffs being destroyed in despair, warehouses glutted with a surplus which is only redundant because the consuming power of millions of people has been either frustrated or paralyzed. Worse than all, we see standards of honour debased, and good will, the leaven which ought to permeate humanity, slowly perishing: while distrust, that fear of our neighbour which it is the mission of Christianity to dispel, spreads like a pestilence from day to day."

Then later he states:

The world at large, unfortunately, does not see the situation in this light. Obsessed by the nationalism which they believe to be the foundation of their strength, the separate nations,