

Australian Treaty—Mr. Isley

report the chairman, Mr. Robinson, who was also the president said:

There is some chance that the Australians might repudiate the agreement. I am convinced that that would be an unfortunate thing, especially in view of the attitude of the United States toward this matter.

On the next page I find he said:

It is probably well known that council members met at a certain conference on the Pacific coast last year with other interests that have a stake in the trade agreement. The other people were the pulp and paper people, and the fish people, but they were interested solely in the trade agreement because their business was largely increased, and they are enjoying such benefit that they do not wish to see the whole treaty scrapped. They are interested in seeing that we stop rocking the boat, but they are ready to pick up any suggestions we may make provided we can adjust the treaty so that it will go on. We can have the help of these people if we adjust it in that way. The lumber interests are in the same position as ourselves. They wanted some new provisions in the treaty, and they were trying to get a freight subsidy for the lumber export to stock up against the American interest. They got a freight subsidy, but they haven't got as yet a preferential adjustment of the duty from the government of Australia, but there are some indications that they may get that in the near future.

The pulp and paper and the fish industries are perfectly agreeable to our proposals and have stated more than once that they see no objection to the treaty being amended.

We cannot afford to forego too many trade agreements with the people to the south. The present balance of trade with Australia is about six and one-half to one, and that ought to be favourable enough to satisfy the most fastidious.

Australia is perfectly willing to carry on the treaty on the basis of four to one, but they do think that six and one-half to one is too much.

The hon. member for Vancouver Centre in the very moderate speech he made last night started out by saying that the treaty as such discriminated against Canadian agriculture, and I waited during the remainder of his speech for some facts that would justify the assertion. I did not hear anything from him subsequently that would justify it, and I think I am safe in saying that nothing imported from Australia in a large and substantial way enters into competition with Canadian farmers, and that the objection which has been voiced to a considerable extent throughout the country is to our trade relationships with New Zealand, not with Australia. The hon. gentleman also said that there were certain lines of goods which we might purchase from Australia instead of from the United States. I think one of the largest items was hides. Certainly I am not qualified to discuss the tanning business or the importation of hides, but I was under the impression from the debates I have heard in this house and from reading Hansard that we cannot talk about

[Mr. Isley.]

hides as if they were of uniform quality or kind, that we import certain kinds and qualities from the United States that we cannot very well import from any other country, and that the placing of a higher duty on hides from the United States with the idea of diverting the business to Australia would simply mean that the tanning interests of this country would continue to purchase from the United States but with an additional burden on their business and on the ultimate consumer.

The hon. member for Vancouver Centre also voiced this complaint, and it was his chief complaint against the Australian treaty: He said we did not import enough from Australia under the treaty, that our imports were too small in proportion to our exports; and yet almost immediately afterwards he attacked the French treaty on the ground that our imports from France were too high in proportion to our exports to that country. So it is very difficult to make a treaty that would be at all satisfactory to our friends opposite. The fault with the Australian treaty, according to them, is that the volume of exports from this country to Australia is too high in proportion to the volume of imports from Australia to this country.

Mr. ADSHEAD: A too favourable balance of trade.

Mr. ILSLEY: Yes; and then he attacked the French treaty on the ground that the balance of trade is not favourable enough.

Mr. ADSHEAD: An adverse balance.

Mr. ILSLEY: Yes; if it is adverse. It is very difficult to know upon what basis we should attempt to conclude trade treaties with other countries. As a matter of fact the treaty with Australia has resulted in an enormous expansion of our trade, and I want to put on record some figures in support of this statement. That treaty came into effect on the first day of October, 1925. The year which ended September 30, 1925, was the last before the treaty became effective. These are the results flowing from the treaty:

Canada's Trade With Australia
(Years ended September 30, 1925 to
September 30, 1929.)

Years	Imports	Exports
	from	(domestic)
	\$	to
		\$
1925.. . . .	2,762,959	12,578,531
1926.. . . .	4,285,351	17,213,321
1927.. . . .	6,610,579	18,558,471
1928.. . . .	4,928,080	14,670,738
1929.. . . .	3,174,761	19,623,593

That is to say,—