

ranged between 44 and 44½ cents as compared with 29½ and 33 cents at the same period in 1925. It is hardly necessary for me to go into the figures, in view of the fact that my colleagues in the government, the Minister of Finance (Mr. Robb) and the Minister of Agriculture (Mr. Motherwell) in their speeches absolutely punctured the arguments of those who attacked the Australian treaty in relation to butter and cheese.

The mover of the amendment (Mr. Sutherland), alleged that the cheese market was being destroyed in Canada. But what is the truth? There came into Canada last year since the treaty went into effect 270 pounds of Australian and New Zealand cheese. Obviously that has not destroyed the cheese industry in Canada. Of butter, it is true, about a million pounds have come in; but that is nothing out of the ordinary. In 1913, 1914 and 1915 our importations of butter ranged between 5,000,000 and 6,000,000 pounds. In late years however the producers of butter in Alberta have forced the New Zealand product from the British Columbia market. During the past year, due to strikes in shipping circles in Australia, there was not the same opportunity for the New Zealander and the Australian to ship their butter to Great Britain, their natural market, as it is also the market which the Canadian people must seek for their surplus products. When that shipping strike was over the butter that had been in cold storage in Australia and New Zealand was released and it found its way not only to Canada but also into the United States, notwithstanding a tariff of 8 cents per pound in the latter country. I have in my hand a clipping from the Wall Street Journal of February 6, 1926, stating that although the American government have protected their dairymen by a duty of eight cents a pound on butter, the importations of butter from Denmark, New Zealand and Australia are hurting the United States butter industry. Senator Schall, representative from Minnesota, told the Senate in introducing a resolution directing the federal tariff commission to make an immediate report on its investigation of the industry that producers are getting from 35 to 40 per cent less for their butter than they used to. He said that a higher tariff on butter was sought. Evidently the tariff on butter has not been effective in excluding that commodity from the United States. Naturally the Australian and New Zealand butter started to flow where there were vacancies in the market. Canada had oversold; in fact in December we brought back some 450,000 pounds of Canadian butter from Great Britain. So one can well under-

[Mr. J. H. King.]

stand why at this season of the year there should be, as there have been for the last forty years, importations of butter from New Zealand and Australia. I think it has been fully shown that there is no great need for the worry and anxiety of our friends opposite respecting our dairy industry. That industry has progressed very rapidly. In fact the wealth produced from the manufacture of butter and cheese is greater in dollars and cents than the total wealth produced from our mines. As the Minister of Finance said a day or so ago, it would be much better if, rather than deprecating a few hundred thousand pounds of Australian butter coming into this market, we were preaching to our dairymen: Improve your product and get it into the British market, where you must sell your excess production in competition with butter from Holland, New Zealand and Australia.

In season and out of season, Mr. Speaker, we have been told that the only thing for Canada to do was to develop industrially. We must have more manufactures, we must have greater employment; then there would be prosperity for the farmers and everyone else. That has been the story dinned into our ears. Now the Australian treaty cannot be criticized on this score. We know that it has given a great stimulus to two or three of our basic industries. One is paper-making. It is not necessary for me to cite what has taken place in British Columbia. I have before me from the head of a large paper organization of that province the following answer to inquiries I made:

We employ 3,450 people, directly dependent on this plant. When extension completed will have 5,000 people directly dependent on operation. Present payroll annually \$2,000,000. New payroll will be \$620,000 more. Both amounts exclusive of logging operations. Employment constant.

That is just one organization. Within a few miles of Vancouver, since the treaty went into effect, we find a company that had been in financial difficulties reorganized, creditors paid off, and in a position to do business. I am advised that practically within the city of New Westminster a large paper-making plant will be installed. We find within ten miles of the city of Ottawa one of the largest paper plants in the world is being constructed. We were told a few days ago by the Minister of Lands and Mines in Ontario that he and his government—he took credit for it—had brought about a condition whereby \$38,000,000 or \$40,000,000 would be expended on a new paper development in Ontario. Now, if the preachings and sayings of our Conservative friends are true, why not let this treaty between two sister dominions continue for