

*Australian Treaty—Mr. McRae*

a precedent for this; for twenty years and longer we have had a preference of approximately 50 cents per thousand feet in the South African market with the result that the mills of British Columbia have first call on the business in South Africa; and I want to suggest to the government that in the negotiations with Australia this lumber business should be given special consideration. There are \$3,000,000 at stake. Sixty per cent or more of that money goes to labour, and if we take into account supplies and equipment, 90 per cent of the proceeds from lumber find its way into channels of trade in our own country. I submit that a dollar preference in the Australian market for Canadian lumber as against United States lumber will result in \$3,000,000 coming into our pockets, instead of going into the pockets of the Americans.

Now, there is one item that I want particularly to call to the government's attention, because I must say that in this instance, in my humble judgment there has been a very serious neglect of the interests of our country. I refer to the cedar lumber of the Pacific coast. Hon. members will see by referring to the Australian schedule that the redwood lumber of California get the British preferential tariff in the Australian market. That means a concession of fifty cents per thousand feet. I say to the house, and I say it advisedly, that our cedar lumber is superior to California redwood. Redwood is produced in one part of the world only—in northern California. It is an excellent wood, but its durability is not superior to our cedar, and when it comes to tensile strength there is no comparison between the two. In short, the cedar of British Columbia is vastly superior to the redwood of California, and being light in weight it is suitable for identically the same requirements. What I want to point out to the government is that they should see to it that we are not discriminated against in any sister dominion in favour of the United States, especially upon a commodity such as this which is superior to the redwood of that country.

Mr. MILLAR: May I ask the hon. member a question? In making the suggestion that the lumber of British Columbia be given an advantage of one dollar a thousand, on what Canadian products does he think the Australians should be given a preference to offset the account?

Mr. McRAE: If the hon. member will hear me through he will find that I am going to touch on the one vital point in the Australian treaty. I say now as I have said before, sir, that I do not believe that we should attempt

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to exchange any commodity which interferes with the basic products of either country. Now, as I was saying, the importations of redwood lumber into Australia last year were 50,000,000 feet—\$1,000,000 more business, which without any special concession on the part of the Commonwealth of Australia might be diverted to Canada.

I now come to another industry to which I previously referred, and which has profited very materially by the Australian treaty. It is the fishing business on the coast, and particularly the canned salmon. Its importance is worthy of notice. In 1926 the United States shipped to Australia 132,000 cases, while we shipped 192,000; in 1929 the United States shipments had fallen to 92,000, while ours had increased to 217,000. It is rather interesting to note in that connection that we are as yet supplying but a small part of the entire importation of fish products into the Australian market. True, we have now about 69½ per cent of the business in canned salmon in that market.

Summing up the three commodities, paper, lumber, fish—

An hon. MEMBER: Pulp.

Mr. McRAE: There is a small amount of pulp shipped. I am not enthusiastic about the shipping of pulp out of this country; I rather feel that we should manufacture it at home. However, taking these three commodities, paper is capable of a further increase of 50 per cent, lumber of 300 per cent, and fish a small percentage—a growing percentage because in that market brands form a very important factor and it takes years to win away your purchasers from established brands. That accounts for the continuance of fish exports from the United States to Australia.

I said, Mr. Speaker, that I was not going to deal with the other items in the Australian schedule. They apply very largely to eastern Canada, and show that this is a treaty for the entire country, and not, as has been generally supposed, a treaty made especially for the benefit of the industries of my own province. The discussions which have taken place in connection with this treaty have attracted a great deal of attention in my province. I think the Canadian people as a whole are agreed that in this and similar treaties we must not interfere with any basic production in our country. I see my hon. friend from Weyburn (Mr. Young) in his seat. He asked a question the other day as to how the people in the big cities felt about increasing the cost of butter. Well, I have here a wire from a